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## IIEP's Monthly Newsletter: August 2015



### *Director Jay Shambaugh Appointed to the Council of Economic Advisers*



Last week, President Obama chose the Institute's Director, Jay Shambaugh, [to join the White House's Council of Economic Advisers](#). Joining an exceptional team of economists, Professor Shambaugh will be the Council's third member and will focus on international macroeconomics. Shambaugh takes the place of

### *In the News*

Tara Sinclair authored a number of op-eds this month, examining the [decline of the oil industry's job creation](#), [declining unemployment and labor participation](#), and the extraordinary potential [that big data brings to economic forecasting](#). In one piece for The Street, Sinclair proposed that we look past unemployment, stating "[the US economy needs more quitters](#)." As the chief economist for Indeed.com, Professor Sinclair brings a wealth of data and a fascinating perspective to the table in job market discussions.

As China's financial downturn

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as the International Monetary Fund's Economic Counsellor and Director of the IMF's Research Department.

Professor Shambaugh will join the CEA for the second time, previously serving as a Senior Economist for International Economics and later Chief Economist of the prestigious group between 2009 and 2011. An expert who has researched the interaction of exchange rate regimes with monetary policy, capital flows, trade flows, international reserve holdings, country balance sheet exchange rate exposure, the cross-country impact of fiscal policy, and euro crises, Professor Shambaugh brings a wealth of experience and knowledge to the White House in the midst of ongoing economic issues in Greece and China. Jason Furman, the current Chief member of the CEA, welcomed Professor Shambaugh back to the Council and praised his extraordinary work earlier in President Obama's Administration.

"He was a key contributor to the economic team as the country was fighting the worst recession since the Great Depression and will bring his keen analytical skills to helping to continue to strengthen the economy," Furman said.

Before his positions at the Institute and on the White House Council of Economic Advisers, Shambaugh received his Ph.D. in economics from the University of California at Berkeley, an M.A. from the Fletcher School at Tufts, and a B.A. from Yale. Later becoming a Research Fellow at the National Bureau of Economic Research and the International Monetary Fund, Professor Shambaugh has produced a wide body of work in international macroeconomics - [much of which can be found through the Institute's website](#). In addition to his 2009 book, *Exchange Rate Regimes in the Modern Era*, Shambaugh's work has been published in notable publications like *The American Economic Review*, *The Quarterly Journal of Economics*, *The Review of Economics and Statistics*, and more. In addition to these journals, his work has appeared numerous times in the press, having been cited in the *Economist* and *The Washington Post*.

As Professor Shambaugh brings his expertise to the White House Council of Economics Advisers, we are excited to hear about his work to address financial crises, pending trade deals, infrastructure reforms, and the corporate tax code, among other issues facing the current Administration. Stay tuned for more information about the important work being undertaken by the CEA. Good luck to Professor Shambaugh!

have the potential to emerge as attractive investment opportunities. In an op-ed for the Indian Express, Ajay Chhibber proposed that India, in particular, [can capitalize on China's downturn](#) - if it can achieve necessary economic reforms.

*Slate* featured Marcus King in an August article examining the security threats of climate change. The Pentagon released what Professor King called "[a warfighters perspective](#)" - a report analyzing specific threats facing different regions of the planet. *Slate* highlighted, in particular, the territorial disputes arising in the Arctic due to a shrinking land mass and the subsequent need to drill for oil farther north - causing tensions between Russia and states like the U.S., Canada, Norway, and Denmark. Professor King has done extensive research on the impacts of drought and other results of climate change on global security. For more, [check out his analysis of the role of water in U.S. foreign policy](#).

August was a month of decline for many global markets, particularly as China devalued its currency in response to economic downturn. Stocks in many nations fell as a response, including those in the United States. Speaking with NPR Marketplace, Stephen Kaplan helped explain how changes in the yuan's value impacts the U.S. economy - in more ways than expected. Kaplan explained [why China's economic climate could impact the uncertain timeline of the Federal Reserve's](#)

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# Institute Director



A renowned economist and author, Professor Stephen Smith will replace Jay Shambaugh as the Director of the Institute for International Economic Policy. This exciting decision comes after the news of Professor Shambaugh's new appointment as a member of the White House Council of Economic Advisers.

Stephen Smith will become the Institute's Director for the second time, previously serving in the position from 2009 to 2012, when he helped to create the Institute's four main policy initiatives: [climate change adaptation](#), [extreme poverty alleviation](#), [global economic governance](#), and [U.S.-China economic relations](#). These research areas have driven both IIEP's engagement with the global economic community and our conferences, symposia, and seminars hosted throughout the past years that bring together some of the best policymaking and academic minds in these fields. In addition to his work to grow the Institute for International Economic Policy, he also organized and was the first Director of the International Development Studies Program in the Elliott School of International Affairs, and served (from 2004-2008) as co-Principal Investigator of GW's partnership with BRAC University in Bangladesh.

In academia, Professor Smith's textbook [Economic Development](#) is one of the most widely used and best-reviewed books in its field, currently in its 12th edition and serving as a resource for countless educators and students. He is also the author of titles such as [Ending Global Poverty: A Guide to What Works](#) and [NGOs and the Millennium Development Goals: Citizen Action to Reduce Poverty](#). Professor Smith's recent research has focused on poverty policy and programs, and other topics in development economics including research on Bangladesh, Ethiopia, India, Senegal, and Uganda.

Sabina Alkire was featured in an International Monetary Fund PodCast this past month, explaining how the Multidimensional Poverty Index helps us better understand and learn to combat poverty in its many forms. [Learn why the MPI evaluates poverty better than traditional income measurements](#) in Professor Alkire's talk, "Painting a Better Picture of Poverty".

How similar is Chinese investment in Africa to the West's? Wenjie Chen, along with economists Heiwai Tang and David Dollar, analyzed Chinese patterns of overseas direct investment to determine the trends of private sector investors. Looking particularly at what characteristics Chinese investors find attractive in Africa, Professor Chen and her co-authors found a different picture than western investment. While the West tends to look for strong rule of law in a country, the Chinese tend to overlook this factor in favor of political stability. For more findings, [check out the full Brookings study](#).



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work councils, ESOPs, and labor cooperatives in countries like Italy, Spain, Germany, and other countries. Additionally, he has served as a consultant for the World Bank, the International Labour Office, the United Nations Development Programme, and the World Institute for Development Economics Research. Professor Smith is a Non-Resident Senior Fellow at the Brookings Institute and an IZA Research Fellow; he has current research projects in Africa and South Asia.



Monday, September 14th  
Elliott School of International Affairs, 1957 E Street NW  
Washington, D.C.  
Lindner Commons, 602

What is the role of nature in cities? How can business and government leaders align environmental stewardship with economic growth? The Institute for International Economic Policy's Marcus King and David Rain, along with the Nature Conservancy's Mark Tercek and Rob McDonald, will discuss how public and private sector leaders can use natural resources to both impact the bottom line and benefit society, and how ecosystem services and natural infrastructure can enhance cities and neighborhoods. The panel will bring diverse policy backgrounds to the forum challenging conventional thinking about the importance of environmental resources and economics as key tools in creating a sustainable world. Learn more and RSVP at our blog, [internationaleconpolicy.com](http://internationaleconpolicy.com)!

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