“Golden Boy” Seiji Naya Retires

Long-time UH Economics professor Seiji Naya has announced his retirement from the University. Professor Naya, a well-known expert on Asian trade and development, served as Director of the State Department of Business, Economic Development and Tourism during the Cayetano administration.

Naya was born and raised in Japan, and he first came to the islands with a Japanese boxing team in 1951, when he was just 18. He was soon adopted by Earl Finch, a prominent local businessman who had settled here after the War. With Finch’s support, Naya enrolled at UH, where his boxing earned him two NCAA national titles. He was Hawaii’s “Golden Boy.”

Naya remembers these as difficult but rewarding times. “I had no idea what I was doing,” says Naya, who didn’t speak any English when he first arrived here. He credits Earl Finch’s support for giving him the opportunity to excel in sports and higher education. “I don’t know what I would be doing today if he hadn’t picked me [to support].”

A Report from the Chair

It’s hard for me to believe that this is my last letter to you as UHM Economics Department Chair. Have three years really gone by that fast? My hypothesis is that time has actually begun to speed up, as the year 2003 saw an extraordinary amount of change in our Department.

Two professors—Yeong-her “Tony” Yeh and Seiji Naya—who had been with us since almost the beginning of time retired in December 2002. Seiji and Tony each spent more than 30 years with UHM Economics and their experience and expertise in their fields has already been much missed! On Friday, May 21, 2004, the Department is sponsoring a retirement dinner for Seiji Naya at the Prince Hotel in Waikiki. If you can’t make the dinner, please consider sending your short greetings (to be read at the dinner) or a donation in honor of his many contributions to our community.

Visit the UHM Economics website (www.economics.hawaii.edu) for more details on the event; information on purchasing tickets; and on making reservations at our host hotel.

To fill these huge gaps in our faculty, UHM Economics hired Assistant Professor Ilan Noy, a graduate of the international economics program at the University of California, Santa Cruz. He specializes in international finance and conducts research on the economics of financial crises. Christopher Edmonds, a research economist at the Asian Development Bank, joined us a visiting assistant professor during Fall 2003 and taught a graduate course in the economics of financial crises. Eichi Tomiura, Professor at Kobe University in Kobe, Japan, joined us as a visiting scholar for the Spring 2004 semester. Brooks Kaiser (Gettysburg College), Roger Blair (University of Florida), and Bob Curry (Sacramento State University) all helped raise the level of intellectual discourse during the 2003 summer months.

The year 2003 was another excellent year for our students. Ari Joeri Henri Van Assche, a UHM Economics doctoral candidate, was named a Graduate Fellow of the American Academy of Political and
Ilan Noy Joins Department

by M.A. student Rena Kyoko Tomlinson

Students, faculty and staff are pleased to welcome Assistant Professor Ilan Noy to the Economics Department. Professor Noy is originally from Israel, where he served three years in the military with a paratroopers unit; military service is required in Israel. After military service, Professor Noy started his undergraduate study as a law major, before deciding that it was not for him. He switched over to political science and earned his Bachelor of Arts Degree from Hebrew University in 1995.

During his last year of undergraduate study and for two years after that, Professor Noy worked as a tour guide. He guided tours to China, India, and Nepal. He was also involved in tours to Mexico, Guatemala, and Cuba. He then flew half way around the world to enroll at the University of California at Santa Cruz. At Santa Cruz, Professor Noy received his Master’s degree en route to a doctoral degree in 2003.

During his time at UC Santa Cruz, Professor Noy focused on International Economics. His main research focus was on Financial Crises in Developing Countries. He hopes to spark the interest of the students at the University of Hawai‘i in each of these areas.

Professor Noy was drawn to the University of Hawai‘i by its graduate program. He notes that UH is a quality university and that the Department has an active graduate program. This Spring Professor Noy is teaching Econ 461 International Monetary Economics at the advanced undergraduate level. He remarks that he was very impressed by the level of knowledge of the students coming into the course. Next year, Professor Noy will get a chance to teach the graduate students. He feels that graduate-level teaching provides an exciting challenge and interest for him.

During his spare time Professor Noy likes to spend time with his family. He has been married to his wife, Liora, for six years. They have two sons Shakked, 4, and Amit, 18 months. They were interested to learn that, like all Hebrew names, the Noy family’s names have literal meanings: Ilan – a tree, Liora – my light, Shakked – almond, and Amit – friend.

Once again we welcome Professor Noy and his family to the Department and to Hawai‘i!

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Awards and Honors

In Spring 2003, Francisco Brignole was given the award for Outstanding Student in Economics. Henry Mochida was given the award for Leadership. Graduate student Xiaopeng Cheng was awarded the Burnham O. Campbell dissertation award.

Omicron Delta Epsilon Honor Society: Samuel Chong, Jean Fan Yu Nunokawa, Jon Ellis Panganiban, Florante Pumaras, Ayako Tsuchida.

A Letter from Baghdad

Sean Sherwood, BA 1999, recently wrote Professor Jim Mak from Baghdad, where he is serving as a lieutenant with the U.S. Army V Corp. He gave us his permission to reprint portions of that letter. God Speed Sean. Return home safely...and soon!

Aloha From Iraq, Prof. Mak. Saw your picture holding a paddle in the UH Economic Currents (Winter 2003). Hope all is well.

It’s not so bad here. But attacks are continuing to increase. On average, each day, there are about 8-14 “Improvised Explosive Devices” (IEDs) going off in Iraq resulting in a large number of our soldiers getting hurt. Luckily, so far our base (Camp Spiecher) is the only one in Iraq that has not been attacked.....

The temperature in Iraq lately has been around 60-75°F+, and it has gotten as low as 32°F. Just to give you an idea of how cold it is here at night. Couple of nights ago I was able to see frost on the ground. We also have been getting sandstorms, but not as many as when the war first started.

The unit I am in does not have any idea of when we will be getting out of here. Our mobilization order stated that non-special forces units (us) would not be deployed for more than 179 days. That would have been about 29 August ‘03. Well, we are still here!

We are currently located near Baghdad Intl Airport. For the last 7 months we were on an old Iraqi Air Base, called Al Sahra, and renamed Camp Speicher (in honor of a pilot missing from Desert Storm). We belong to V Corps out of Germany.

My primary duties have been Force Protection and now infrastructure analysis. My unit, (345th RAOC), has a Mobile Training Team (MTT) that has been teaching personnel and vehicle search techniques to soldiers located on Camp Speicher. These soldiers (students) apply the skills they learn when guarding the front gate. I used to oversee all live fire exercises that were conducted at Camp Speicher, Tikrit. However, I will no longer be going out on raids, conducting assessments or going out on convoys since I am now working for CJTF-7 in Baghdad (the headquarters in charge of running Iraq). This change now involves assisting in planning and coordinating infrastructure analysis on rail, electricity and oil, as well as going out on Civil Affairs missions if needed.

How dangerous is this place? The base where we are located has outstanding security, however it’s location does not offer another level of security because it’s in Baghdad. We get hit with mortars just about every night. A few nights ago Iraqis were celebrating the end of Ramadan by shooting their weapons into the air, well one of the bullets came down through our tent hitting a chair that a soldier was sitting on, bouncing off that chair hitting another soldier in the stomach. No one was hurt by this, including the soldier that was hit in the stomach.

It is outside the base where we have to be extremely cautious. The worst time is during the night, however we rarely venture out then; 99% of the missions are conducted during the day. Recently attacks have been increasing during daylight hours.

We finally have air conditioning in all of our sleeping rooms thanks to a captain who works as an electrician in the civilian world. And yes we sleep and work in buildings. The A/C was a great morale booster during the summer months for all of us.

We pretty much have a set schedule here. Every Wednesday and Friday we do PT as a unit, though most people are doing PT on their own. Every Thursday the unit turns in laundry, every Friday we take a malaria pill, and every Monday is the unit maintenance day for our vehicles.

The rebuilding work in Iraq is difficult. It seems like sometimes we make policies that work for westerners without really understanding the effects of to this region. Culture and the region plays a big role when making economic policies. I just can’t wait to get out of here and back to the real world.

HAPPY HOLIDAYS AND A HAPPY NEW YEAR.

SEAN
ambitious but little-known group of Southeast Asia countries. Naya became an early proponent of the Association of Southeast Asian Countries (ASEAN), which developed into a vibrant forum for economic cooperation among Thailand, Malaysia, Singapore, Indonesia, and the Philippines. That grouping later expanded to include Brunei, Vietnam, Laos, Cambodia and Myanmar, and it embarked on a regional free trade area in the 1990s.

In the early 1980s, Naya spent several years as Chief Economist at the Asian Development Bank in Manila. At the ADB, he established an academic research program to supplement the practical mission of the Bank. He returned to Honolulu in 1984 to head up the Resource Systems Institute at the East-West Center, and to teach in the Economics Department.

Over the years, Naya has published widely on Asian development, as well as trade and investment policy. With his extensive knowledge of countries at the heart of the “Asian Miracle,” he has become a sought-after speaker on the lessons that Asia may provide for other developing regions. Recently Naya was chosen by the Office of the United States Trade Representative to examine the potential benefits of a US-ASEAN free trade area. His most recent book, “The Asian Development Experience: Overcoming Crises and Adjusting to Change,” was published by the Asian Development Bank in 2002.

In 1995, Naya was tapped by incoming Governor Benjamin J. Cayetano to head up the Department of Business, Economic Development and Tourism. In this cabinet-level office, Naya essentially acted as the State’s Chief Economist, advising the Governor on a range of economic policy priorities.

“I thought I would stay only a couple of years,” says Naya, “but the state of the economy made it difficult to leave.” He was instrumental in furthering the administration’s economic reforms, including efforts to balance the state budget, reduce tax rates, and stimulate high tech investment. He thinks these changes have played a role in recent local economic strength. “To some extent, that is paying off today,” says Naya.

When asked about Hawai‘i’s future, Naya is upbeat, but not complacent. He thinks there is still need for further reform to make Hawai‘i an attractive destination for investment. And he thinks the state’s tourism industry has finally realized that they need to do more than just provide sun and surf. Sounding like an economist, Naya say, “We need to create sun and surf ‘plus alpha’, where ‘alpha’ is something else,” special activities or attractions that make people want to travel across an ocean to visit the islands.

What’s next for Emeritus Professor Naya? As always he has has several very different projects underway. His 1989 textbook on Asian development needs an update, and there is the USTR study on US-ASEAN free trade to be completed. He’d also like to build up the resources in the UH Economics Department, and a conference in May will both honor Naya and fundraise for that cause. (See box.) In December, Naya let Japan for lecture at Yamaguchi University.

And somehow there’s still time for sports, too, if it’s for a good cause. In early December, he helped to host 30 high school students from Ehime Prefecture in Japan for a goodwill baseball exchange. Why does he keep up such a frenetic pace? Professor Naya says simply, “I like people.” Clearly he has no plans to let retirement get in his way.
Alumni Currents

William (Ted) James, Ph.D. 1979, is working on an USAID-funded Growth through Investment and Trade (GIAT) project in Jakarta. Daughter Thea is in her second year at UCLA majoring in history and economics. Talia (14) is in her first year of high school, and Tara (4) is enjoying preschool in Jakarta. The family endured a long separation that was caused by the forced evacuation of Tess, Talia and Tara from Jakarta after the Bali bombing attack on October 11, 2002. The evacuation lasted over 7 months but finally ended in May of 2003. Ted remarks that they have much to be thankful for as they prepare for 2004 and reflect upon what transpired in 2003.

Kinaai Kairo, BA 1999, is working on her Master’s degree in Natural Resources, majoring in Agricultural Economics, at the University of Queensland (UQ), Brisbane, Australia.

Dee Mecham, MA 1997, was named Western Regional Winner in the NASDAQ National Teaching Awards Competition. The award came with a generous cash prize and an opportunity to compete for national honors at a New York gala in April. Way to go Dee!

Sean Sherwood, BA 1999, is a first lieutenant in the Army Reserves and currently stationed in Iraq. (See letter, page 3.)

Yoav Wachsman, Ph.D. 2003, is teaching in the Wall College of Business at Coastal Carolina University in Conway, South Carolina. He reports that the campus is beautiful and the administration is excellent. He is currently working on a paper that models the interaction between hotels and airlines in the tourism industry.

Youger Wu, Ph.D. 1983, is president of China College of Marine Technology and Commerce (CC-MTC) in Taipei. His wife Sunny teaches at the Keelung Maritime Senior High School. Son John is doing his Ph.D in ICS at UH, and daughter Ishuan was married in July and now lives in San Diego.

Ting (Allison) Zhou, Ph.D. 2003, is working as a Trader/Quantitative Analyst for Evolution Capital Management, LLC, in Honolulu. She is applying research methods learned for her dissertation to develop VAR models for linear and nonlinear derivative products, and to build procedures to handle position management and P&L calculation. She also does some equity trading and testing of arbitrage strategies.

SEIJI NAYA FUND

Please consider making a donation to the Seiji Naya Fund. The fund will build on Dr. Naya’s legacy of promoting economic education, including awards for outstanding graduate students in economics and fostering relationships with economic policymakers, academics, and students across the Asia-Pacific region.

Your gifts mean a great deal to us.

To ensure accurate processing of your gift, please complete this form and mail it along with your tax-deductible donation to: Seiji Naya Fund, UH Foundation, P.O. Box 11270, Honolulu, HI 96828-0270.

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Enclosed is my check for $ ____________

Payable to “SEIJI NAYA FUND, UH FOUNDATION”

I work for a matching-gift corporation and am enclosing a corporate matching gift form.

☐ yes  ☐ no
Nobel Laureate Daniel McFadden Visits a Very Rainy UH Mānoa

by Ph.D. student DoAnne Sanchez

While rainfall may signal an auspicious event in Hawai‘i, the torrential downpour that accompanied Professor Daniel McFadden to Honolulu was probably a bit much.

“I thought I was leaving the rain when I left California,” said the softly smiling Nobel Laureate to faculty and students assembled for his seminar on February 27 at the University of Hawai‘i at Mānoa. He had just spent his first hour in paradise inching through heavy rain and winds on the H1 freeway.

Arriving just minutes before his talk, Professor McFadden moved quickly to an in-depth discussion of the relationship between poverty and ill health among the nation’s elderly. McFadden’s work finds no direct causal link between economic status and most sudden onset health conditions among the over-70 population.

This news may suggest that with Medicare the U.S. is doing as well as countries with socialized medicine when it comes to providing elderly access to health care. “That (result) was not what I expected and would probably not be true for other age groups,” Professor McFadden acknowledged when I caught up with him later.

Professor McFadden’s second Mānoa address was held before 350 people at the Arts Auditorium on March 1, and it featured discussions of anomalies in economic rationality. Amusing the crowd with a gentle self-effacing wit, he described how marketers make savvy use of the links between cognitive reasoning and economic decision making in areas as mundane as wine menus and the display of canned beans at the neighborhood grocer.

He also shared some of his thoughts on the ways people form expectations, explaining how research in cognitive psychology is causing economists to re-examine their standard model of choice. This research, he said, shows that the individual is less organized, and more adaptive and imitative, than the standard model suggests.

I asked Professor McFadden if he had any advice for a student of economics. With a surprised smile, he said, “I have found it valuable to keep a broad view towards economic research. There’s no part of if that I don’t like. I learn from pure theory, from econometrics…” He paused, in thought for a few seconds, and added, “So my advice to students is don’t foreclose any options. You’ll be amazed at how people will surprise you with the ideas they think up.”

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**Advanced Degrees Awarded**


Jian Zhang, Ph.D. May 2003, “The Impact of Trade-Related Investment Measures in Developing Countries.”


Kathleen Dela Merced, MA, August 2003

Dolgorsuren Dorj, MA, August 2003

Naomi Wada, MA, August 2003

Susan Woo, MA, August 2003

Quang Duc Nguyen, MA December 2003

Jeerawat Ngarmjaruroot, MA December 2003

NFN Maliki, MA December 2003

Amontheep Chawla, MA December 2003
I Pass, You Pass, We all Pass for UH-PASS

With parking and traffic congestion at UH Mānoa always bad and getting worse, students have been at work on a possible solution, a subsidized bus pass for Mānoa students. Last spring, at the behest of Interim Vice Chancellor Karl Kim, the Economics Club embarked on a pilot survey of student attitudes about alternative transportation.

About 240 students were surveyed during a week in the spring term. Students were asked about their commute times, their current mode of transportation (heavily auto), their time of arrival on campus, and related issues.

They were then asked about their likely use of bus transportation under alternative rate structures. Nearly a quarter indicated that they would switch to the bus if rides were free, and 16% would do so if monthly passes were available for $10. Far fewer (8%) would switch if a bus pass cost $20 per month. (Currently, UH students must buy an adult monthly pass for $40.) Students with short commutes, few work hours, no access to a car, or who currently pay daily fees for UH parking were among the most likely to switch.

Some interesting side points emerged from the study. One is that a very high percentage (66%) work 40 hours or more per week. Only 9% have no fulltime or parttime job.

The Economics Club researchers emphasize that their survey sample was not constructed as a scientific random sample, and so care should be taken in interpreting the results. In particular, the sample was dominated by upper classmen. To the extent that freshmen and sophomores (and graduate students) have different travel habits and preferences, overall results for the entire campus population may differ.

LET US HEAR FROM YOU

Please send us news about yourself or update your address.

Mail to: Newsletter • Economics Department • Saunders 542 • University of Hawai‘i at Mānoa • Honolulu, HI 96822 USA.

Or email us at: econ@hawaii.edu

Name ____________________________

Address ____________________________

Email ____________________________

UH Degree(s) and date(s) ____________________________ Major Professor ____________________________

Degree(s) from other institutions and date(s) ____________________________

Present position, employer, location ____________________________

Awards, honors, fellowships ____________________________

Other news and information ____________________________

Send a note to your favorite professor! ____________________________

Please visit us at our Website at http://www.economics.hawaii.edu
Chair’s Message

(continued from page 1.)

Social Science. Dee Mecham, a doctoral student in UHM Economics, placed first in the West Regional NASDAQ Economics Teaching Award and will receive a $10,000 prize. In April 2004 the national winner will be announced at the Plaza Hotel in New York City. Go Dee!

During the Spring 2003 semester, UHM Vice Chancellor for Academic Affairs Karl Kim asked the Economics Club to analyze the UH-PASS proposal to provide free or subsidized bus passes to UHM students. Under the leadership of Henry Mochida and Mitchell Matsura, the Economics Club surveyed students and produced an excellent report analyzing the data. Congratulations to the Club for an incredible job!! (See article on page 7.) The Economics Club also organized a splendid Career Night in October 2003, highlighting the achievements of our graduates and the opportunities to be seized by our current students.

The year 2003 also saw the introduction of a new graduate program that will change life for our doctoral students. First-year students now arrive in mid-summer to take a cram course in mathematics; they complete all microeconomics and macroeconomics core courses during their first year, take qualifying examinations during the summer following their first-year, and begin to write serious research papers during their second year. And what about field exams? Gone with the wind, no more! Just a distant memory for our distinguished graduates from an earlier era to relate to their academic children some day.

This is an appropriate time for me to thank the Economics Department faculty, staff, and students who have supported me during my three-year tenure as Department Chair. It has been a time of challenge and change, and truly I could not have done it without them. Thanks to all!

Please drop by and see us if you are visiting Hawai‘i—or drop us an e-mail and tell us what you are doing! We are looking forward to another excellent year for UHM Economics!

Aloha,

Sumner La Croix
Professor and Chair