



Interview with Dr. Margaret E. Slade, Ph.D.

Professor Emeritus of Economics, Vancouver School of Economics at the University of British Columbia (UBC); and Co-Chair, J.P. Morgan Center for Commodities' Research Council



Standing at the podium is Professor Emeritus Margaret Slade, Vancouver School of Economics at the University of British Columbia (UBC) and [Research Council](#) Co-Chair, J.P. Morgan Center for Commodities (JPMCC) at the University of Colorado Denver Business School. Dr. Slade chaired the afternoon session of the JPMCC's Research Council meeting on December 4, 2015. On Dr. Slade's left is Professor Marcelle Arak, CoBank Professor of Commodities at the University of Colorado Denver Business School and Editor of the JPMCC's publication, [Global Commodity Issues \[Editor's Choice\]](#).

In the Fall issue of the [GCARD](#), we interview Dr. Margaret E. Slade, Ph.D., who graciously agreed to become the Co-Chair of the J.P. Morgan Center for Commodities' (JPMCC's) Research Council. In April 2015, Dr. Slade summarized her distinguished academic career during the JPMCC's inaugural Research Council meeting: "I have been at UBC for over 30 years [interspersed] with a 6-year ... [appointment] at the University of Warwick in the U.K. Before that I was with the [U.S.] Federal Trade Commission. ... My field is industrial organization, and I am interested in how markets are organized. ... I have worked in [the analysis of] ... the pricing of minerals, both non-fuel and energy, as well as [in] gasoline pricing, for example. I also work tangentially in agriculture, mostly in food processing. ... In fact, [while in Denver], I was at [the] Molson Coors [Brewing Company] ... [for] a project there on [the industrial organization of] North American beer [companies.]"



The Canadian Economics Association (CEA) has noted that Dr. Slade “contributed to the transformation of the fields of industrial, natural resource, and organizational economics” and has been a “pioneer and innovator throughout her career.” For her research achievements, Dr. Slade was awarded the CEA’s “highest honor, that of Fellow of the Canadian Economics Association” in 2014.

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What was your motivation for becoming the Co-Chair of the JPMCC’s Research Council?

I was happy to assume the role of Co-Chair because I find the meetings – the presentations and discussions – to be stimulating. Furthermore, I think that the work that the Center is doing is important and participating as Co-Chair is one way of contributing to that work. In particular, I feel that I can influence the structure of future Council meetings as well as the direction and quality of the research that is undertaken.

Is there any other academic center besides the JPMCC, which has a broad-based mission, incorporating all commodity markets?

No, I don’t think that there is. While there are many centers that specialize in energy, mining, or agriculture separately, there appears to be none that combines all three. Moreover, very few centers involve a broad mix of academics and industry practitioners.

What were the highlights of last year’s Research Council meetings in Denver?

I have really enjoyed getting to know the Council members, who have a broad set of interests and skills that range from very applied to theoretical while sharing a common interest in commodities. As an academic, I don’t often meet a group of people with such a diversity of backgrounds. This means that the discussions, both formal and informal, have been very rewarding.

In addition, I am interested in learning more about the sort of academic research that is currently being undertaken in commodity markets, particularly in areas that are different from the focus of my own research. I have been able to do this by attending the talks given at Council meetings as well as by reading research grant proposals for the Center.

What are some of your goals for the Research Council over time?

The most important goal is to obtain adequate long-term funding. Without adequate funding, it is difficult to establish a world class Center for teaching, research, and industry interaction. The Center has done an amazing job with the support that it has obtained. Indeed, it has established an academic program at the Business School, has launched a journal and digest that are of interest to everyone who is involved with commodities, has awarded grants to researchers who are engaged in cutting edge commodity research, has initiated a program of speakers at, and longer term visitors to, the Center, and has established the Research Advisory Council with an impressive list of members. However, it needs to



ensure that these activities can continue and grow. All of the accomplishments that are listed above are important and should be expanded.

As for the activities of the Council, there are many people in academia, research institutions, and industry that are engaged in interesting work in the commodity-market area and the Center can benefit from inviting some of them to talk about their activities and findings. Finally, I would like to see the current program of research grants expanded.



During the JPMCC’s Research Council meeting on September 30, 2016, Professor Emeritus Margaret Slade (with microphone) addressed the morning session’s panelists. The panelists at the “Emerging Risks and Challenges in Commodity Supply Chains” morning panel were (from left-to-right) Professor Nikos Nomikos, Cass Business School, City University London (UK) and member of the JPMCC Research Council; Mr. John Schmitter, KEP LLC; and Mr. Steffen Hammer, Robert Bosch GmbH (Germany).



How did you originally become involved in commodity research?

When I began post-graduate work, I was employed on a part-time basis by the U.S. Geological Survey, which meant that I had to find a thesis topic that was related to natural resource commodities. I chose to study the copper and aluminum industries, specifically substitution possibilities between the two and recycling potential for both. Although my current field is Industrial Organization in general, my early interest in commodities has led me to study the organization of commodity markets and the pricing of fuel and nonfuel minerals. I have looked at both upstream aspects of the industry – production and physical investment – and downstream aspects – trading and pricing.

What are some of the key findings in your recently published work that involve the commodity markets?

I have been looking at entry and exit patterns in the copper industry and how those patterns relate to economic factors. I find that cost-lowering technological improvements and depletion of investment opportunities have been important factors whereas revisions of expectations (e.g., bubbles) and industry concentration have had a less pronounced impact on entry and exit.

In addition, I have been looking at real investment as an option. In particular, I have been assessing the impact of price volatility on investment (exercising the option) and, contrary to the predictions of most theoretical real-option models, I find that there are empirically relevant circumstances in which increased volatility encourages investment. This empirical finding, which can be explained theoretically, has led me to explore the factors that tend to encourage the counterintuitive effect of volatility on investment.

What topics do you think we should cover in the future in the “Global Commodities Applied Research Digest,” given its practitioner focus?

There are so many interesting topics in the area of commodities that it is difficult to single out a few. For this reason, rather than select of few areas that should be emphasized, I think that the Digest should cover the highest quality research regardless of area. On the other hand, choosing to emphasize a particular topic, for example options, investment, renewables, or commodity cycles, could be a fruitful way to organize a special issue. Since *GCARD* is a digest, I think that the choice of topics should primarily be dictated by the availability of current high quality research, either individual articles or groups of articles on a particular topic, rather than being decided from the top.



MARGARET E. SLADE, Ph.D.

Professor Emeritus of Economics, Vancouver School of Economics at the University of British Columbia

Margaret E. Slade (Ph.D., George Washington University) is professor emeritus at the Vancouver School of Economics at the University of British Columbia. She is also an Associate member of GREQAM, a research group based in Marseilles; a Research Fellow in the Economics Network for Competition and Regulation (ENCORE), based in Amsterdam; and a Fellow of the Canadian Economics Association.

As summarized by the Canadian Economics Association, “[Dr.] Slade began her career not as an economist, but as a mathematician, working, among other places, for Shell Development, and then for the US Geological Survey, where she was employed while completing her Ph.D. These experiences shaped her interests in methods as well as in the substantive issues of exhaustible resources markets and the importance of spatial factors, all of which found their way in her research throughout her career. After completing her Ph.D, she joined the Federal Trade Commission before serving on the faculty at UBC for more than 20 years. In 2002, she went to the University of Warwick and then returned to UBC in 2008. In recognition of her contributions to economics research and policy, she received an Honorary Doctorate from the Helsinki School of Economics in 2001. She also served as President of the European Association for Research in Industrial Economics (EARIE) from 2001 to 2003, and held the inaugural Leverhulme Professorship in Industrial Economics at the University of Warwick during her time there. She has consulted for firms and government agencies in Canada, Europe, and the United States, and has served on the editorial board of several leading journals in industrial organization, including the *Journal of Industrial Economics* and the *International Journal of Industrial Organization*. She still serves on the board of the *Canadian Journal of Economics*, the *Energy Journal*, *Managerial and Decision Economics*, and *Spatial Economic Analysis*.”

Dr. Slade is also the Co-Chair of the J.P. Morgan Center for Commodities’ Research Council at the University of Colorado Denver Business School.