MEMORIAL RESOLUTION

Arthur J. Hosios
Professor of Economics
Faculty of Arts and Science
University of Toronto

BE IT RESOLVED that the Council of the Faculty of Arts & Science deeply regrets the passing of Professor Arthur Hosios on November 17, 2018, at age 68.

Arthur was a curiosity- and service-driven economist who left an indelible imprint on our understanding of labour markets, on the Department of Economics, and the University more generally.

He followed an indirect route to economics, with detours through the Woodstock music festival, and a bachelor’s, then master’s degree in engineering from McGill. After graduation, he worked as a computer analyst in Montreal’s Royal Victoria Hospital, and his first eight publications were in the biomedical engineering field.

In 1978, he began his PhD in economics at Princeton, under the supervision of eventual Nobel laureate, Joe Stiglitz. It was an exciting time in the discipline, as economic models more realistically incorporated the role of imperfect and asymmetric information. Arthur applied these insights to labour markets, where workers searched without perfect information on their opportunities, while employers hired them with limited information about their quality.

Arthur joined the University of Toronto as a lecturer in 1981, and published intensively in the top economics journals. His most widely cited paper, “On the Efficiency of Matching and Related Models of Search and Unemployment,” Review of Economic Studies, 1990, yielded what is now known as the “Hosios Condition.” In that article, he laid out the knife-edge conditions necessary for the efficient matching of workers and firms in the presence of imperfect information, highlighting a potential role for policy intervention. His results were the starting point for a rich, and still flourishing, literature on search models of the labour market.

While Arthur was “an economist’s economist,” he more recently applied his insights to a broad range of activities. He served as an economic advisor to First Nations communities in a dozen significant land claims cases. In such cases, the principle of “equitable compensation” applies in calculating financial restitution to bands for breaches of trust by the Canadian government. But how do you fairly and feasibly measure the financial consequences of breaches that occurred nearly a century ago? Arthur developed a framework that consistently and fairly values the lost
opportunities to bands that occurred with a breach of land claim, and this has been applied in several landmark decisions. He also moved into the realm of quantitative humanities. In joint work with Professor Janet Paterson, they studied the publication and diffusion of English literary criticism, linking fluctuations in the publication of knowledge in this area to a variety of variables, including economic and institutional change.

Arthur was a committed teacher, even as his terrible illness progressed. This was especially in connection to his course, “Economics of Organizations,” where he focused on the institutional practices that emerged in the organizations characterized by imperfect and asymmetric information, limited contracting, and conflicting incentives. Perhaps the insights from his course, or the curiosity that motivated him in the first place, inspired him to “anthropological” fieldwork, as he devoted a significant portion of his career to key leadership positions at the University of Toronto.

Most notably, he served as Chair of the Department of Economics for 10 years. The department flourished under his leadership, and it’s difficult to overstate his impact. Arthur hired 20 of the 42 faculty appointed to the St. George department, and another 10 at UTM – essentially half of the faculty in the wider department. He helped lighten and modernize the departmental culture, whether with his modified Christmas carols at holiday parties, or his active support for greater work-life balance. All the while, he set a high bar of excellence, on a foundation of compassion and fairness. He also piloted the department through a financially turbulent decade, establishing the department on a firm financial foundation.

Faculty of Arts & Science Dean, David Cameron, observed Arthur’s financial acumen, and his particular, hard-headed understanding of complex organizations: following his tenure as department chair, Arthur was invited to serve as Senior Academic Advisor to the Dean, Faculty of Arts and Science, where he worked until his untimely demise.

We also acknowledge that more than anything, Arthur’s highest priority was his family: his wife Louise, and daughter and son, Ilana and Aaron. While Arthur was highly private, the priority that he placed on his family was evident to all, and while he was Chair, he supported and facilitated others doing so as well. He was a trail-blazer and beacon to the rest of his colleagues, an inspiration that professional excellence and life can be balanced.

Dis manibus.

BE IT FURTHER RESOLVED that this resolution be inscribed in the Minutes and that a copy be transmitted to his family as a token of our deep gratitude and respect.