



# SOUTHERN WORKSHOP IN MACROECONOMICS

Auckland, New Zealand  
24 – 25 July 2009

## PROGRAM

### VENUE:

The Business School, Department of Economics, University of Auckland  
**Room 325**, Owen G. Glenn Building, 12 Grafton Road, Auckland, New Zealand

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### FRIDAY, 24 JULY

08:30 - 08:55 Registration / Coffee, Juice, Muffins (3<sup>rd</sup> floor foyer)

08:55 – 09:00 Opening remarks

#### Session 1.1. Business Cycles

09:00 - 09:45 *Towards an Equilibrium Model of the Euro Area Business Cycle*  
**Nicolas Groshenny, Reserve Bank of New Zealand**

09:45 - 10:30 *Comovement in Business Cycle Models: the Role of Nonseparable Preferences and Labor Market Participation*  
Stefano Eusepi; **Bruce Preston, Columbia & Australian National University**

10:30 - 10:45 Coffee Break (Decima Glenn Room)

#### Session 1.2. Monetary Policy

10:45 - 11:30 K.I.T.T.: Kiwi Inflation Targeting Technology  
Jaromír Beneš; **Andrew Binning, Reserve Bank of New Zealand**; Martin Fukač;  
Kirdan Lees; Troy Matheson

11:30 - 12:15 Optimal Interest Rate Rules under One-Sided Output and Inflation Targets  
**Peter J. Stemp, Monash University**

12:15 - 13:30 Lunch (Decima Glenn Room)

### **Session 1.3. Taxes and Social Pensions**

13:30 - 14:15 *Payment Arrangements with Costly Record-Keeping and Voluntary Taxes*  
**Pedro Gomis-Porqueras, Australian National University**; Daniel Sanches

14:15 - 15:00 *An Analysis of Means Tested Social Pensions*  
**Cagri Seda Kumru, University of New South Wales**; John Piggott

15:00 - 15:15 Coffee Break (Decima Glenn Room)

### **Session 1.4. Learning**

15:15 - 16:00 *Chaos in the Cobweb Model with a New Learning Dynamic*  
**Geroge A. Waters, Illinois State University**

16:00 - 16:45 *Learning Benevolent Leadership in a Heterogenous Agents Economy*  
Jasmina Arifovic; Herbert Dawid; **Christophe Deissenberg, Université de la Méditerranée**; Olena Kostyshyna

16:45 - 17:00 Coffee Break (Decima Glenn Room)

**17:00 - 18:00 Invited Speaker**  
**Research Professor Albert Marcet, Institut d'Anàlisi Econòmica - CSIC**  
*Asset Price volatility, learning, and rationality*

18:00 - 19:00 Welcome Cocktail (Decima Glenn Room)

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## **SATURDAY, 25 JULY**

08:30 - 09:00 Coffee, Juice, Muffins (3<sup>rd</sup> floor foyer)

### **Session 2.1. International Economics I**

09:00 - 09:45 *The Consumption Terms of Trade and Commodity Prices*  
**Martin Berka, Massey University**; Mario J. Crucini

09:45 - 10:30 *Habit Persistence and International Co-movements*  
**Alexandre Dmitriev, University of New South Wales**; Ivo Krznaric, Universitat Autònoma de Barcelona and Croatian National Bank

10:30 - 10:45 Coffee Break (Decima Glenn Room)

### **Session 2.2. International Economics II**

10:45 - 11:30 *Endogenous Labor Supply, International Trade and the Business Cycle*  
**Daniel F. Farhat, Otago University**

11:30 - 12:15 *On the Dynamics of the Heckscher-Ohlin Theory*  
**Lorenzo Caliendo, University of Chicago**

12:15 - 13:30 Lunch (Decima Glenn Room)

### **Session 2.3. Economic Development**

13:30 - 14:15 *A Three-Sector Model of Structural Transformation and Economic Development*  
**EI-hadj Bah, University of Auckland**

14:15 - 15:00 *The Quality of Political Institutions and the Curse of Natural Resources*  
Antonio Cabrales; **Esther Hauk, Institut d'Anàlisi Econòmica - CSIC**

15:00 - 15:15 Coffee Break (Decima Glenn Room)

### **Session 2.4. Inequality & Public Policy**

15:15 - 16:00 *Cyclical Government Spending Rules, Income Inequality and Welfare in Small Open Economies*  
**Guay C. Lim, University of Melbourne**; Paul D. McNelis

16:00 - 16:45 *Growth Maximising Redistribution in Endogenous Growth Models*  
**Debasis Bandyopadhyay, University of Auckland**; Xueli Tang, Deakin University

16:45 - 17:00 Coffee Break (Decima Glenn Room)

**17:00 - 18:00 Invited Speaker**  
**Professor Huw Lloyd-Ellis, Queen's University**  
*Schumpeterian Restructuring*

19:00 - 21:00 Workshop Dinner (*Cin Cin Restaurant*, Auckland Ferry Building, 99 Quay Street)