



## SOUTHERN WORKSHOP IN MACROECONOMICS

Auckland, New Zealand  
18 – 19 March 2011

### PROGRAM

#### VENUE:

The Business School, Department of Economics, University of Auckland

**Decima Glenn Room**, Owen G. Glenn Building, 12 Grafton Road, Auckland, New Zealand

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### FRIDAY, 18 MARCH

08:30 - 08:55 Registration / Coffee, Juice, Muffins (**Decima Glenn Room**)

08:55 – 09:00 Opening remarks

#### Session 1.1. DSGE Models and Unemployment

09:00 - 09:40 Posterior Predictive Analysis for Evaluating DSGE models  
**Abhishek Gupta, Gettysburg College**; John Faust, John Hopkins University

09:40 - 10:20 The recent U.S. labor market through the lens of a DSGE model: Has the natural rate of unemployment increased?  
**Nicolas Groshenny, Reserve Bank of New Zealand**; Francesco Furlanetto, Norgess Bank

10:20 - 11:00 Resolving natural rate doubts  
**Don Harding, La Trobe University**

11:00 - 11:10 Coffee Break

#### Session 1.2. International Business Cycles

11:10 - 11:50 International Risk-sharing and commodity prices  
**Martin Berka, Massey University**; Mario J. Crucini, Vanderbilt University; Chih-Wei Wang, Pacific Lutheran University

11:50 - 12:30 Financial Intermediation and International Business Cycle  
**Güneş Kamber, Reserve Bank of New Zealand**; Christoph Thoenissen, Victoria University of Wellington

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

### **Session 1.3. Business Cycles**

13:30 - 14:10 Payroll taxes, social insurance and business cycles  
**Mark Weder, University of Adelaide**; Michael C Burda, CEPR and Humboldt Universität zu Berlin

14:10 - 14:50 New Perspectives on Depreciation Shocks as a Source of Business Cycle Fluctuations  
**Francesco Furlanetto, Norges Bank**; Martin Seneca, Bank of Iceland

14:50 - 15:00 Coffee Break

### **Session 1.4. Banking and Asset Pricing**

15:00 - 15:40 When the Banking System Meets Currencies  
**Chia-Ying Chang, Victoria University of Wellington**

15:40 - 16:20 Aggregate Implications of Micro Asset Market Segmentation  
**Chris Edmond, University of Melbourne and NBER**; Pierre-Olivier Weill, UCLA and NBER

16:20 - 16:30 Coffee Break

**16:30 - 17:30 Invited Speaker**  
**Satyajit Chatterjee, Senior Economic Advisor & Economist, Federal Reserve Bank of Philadelphia**

17:30 - 18:30 Welcome Cocktail (**Decima Glenn Room**)

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## **SATURDAY, 19 MARCH**

08:30 - 09:00 Coffee, Juice, Muffins (**Decima Glenn Room**)

### **Session 2.1. Economic Growth**

09:00 - 09:40 Economic growth across Chinese provinces: In search of innovation-driven gains  
**Hao Yu, Bank of Finland**; Michael Funke, Bank of Finland

09:40 - 10:20 The effect of institutional and economic development on the corruption-growth nexus  
**Ratbek Dzhumashev, Monash University**

10:20 - 10:30 Coffee Break

### **Session 2.2. Search**

10:30 - 11:10 Pareto Improving Firing Costs?  
**Bilgehan Karabay, University of Auckland**; John McLaren, University of Virginia

11:10 - 11:50 The Employed, the Unemployed, and the Unemployable: Directed search with worker heterogeneity

**Ian King, University of Melbourne**, Suren Basov, La Trobe University, Lawrence Uren, the University of Melbourne

11:50 - 13:00 Lunch

**Session 2.3. Firm Dynamics**

13:00 - 13:40 Knowledge Linkages and Multi-sector Firm Innovations  
**Jie (April) Cai, University of New South Wales**; Nan Li, Ohio State University

13:40 - 14:20 Entry Costs, Financial Constraints and Economic Development  
**El-hadj Bah, University of Auckland**, Jorge Alonso, ITAM; Lei Fang, FRB-Atlanta

14:20 – 14:30 Coffee

**Session 2.4: Dynastic Models and Public Policy**

14:30 – 15:10 Golden-rule social security and public health in a dynastic model with endogenous longevity and fertility  
**Siew Ling Yew, Monash University**; Jie Zhang, National University of Singapore

15:10 – 15:50 *Parental Nurturing and Adverse Effects of Redistribution*  
**Debasis Bandyopadhyay, University of Auckland**; Xueli Tang, Deakin University

15:50 - 16:00 Coffee Break

**16:00 - 17:00 Invited Speaker**

**Robert Barro, Paul M. Warburg Professor of Economics, Harvard University**

19:00 - 21:00 Workshop Dinner (Cin Cin on Quay)