The Economic Growth Centre cordially invites you to a seminar by Dr John Lane

Speaker: Dr John Lane  
Senior Fellow  
Division of Economics  
School of Humanities and Social Sciences

Topic: “The Transformational Recession under a Resources Mobility Constraint”

Chairperson: Associate Professor Huang Weihong  
Division of Economics  
School of Humanities and Social Sciences

Date: Friday, 17 October 2008

Time: 3:30 pm – 5:00 pm

Venue: Executive Seminar Room 7 (S3.1-B1-11)  
Nanyang Business School  
Nanyang Technological University

About the Speaker:

Dr Lane holds a Ph.D in Economics from Stanford University. Since 1971 he has been working primarily at the London School of Economics but has also held visiting appointments at Wisconsin University, Yale University, the State University of New York, the University of California, the NorthWestern University Business School and the New Economic School in Moscow. He is actively engaged in the London University external program with particular reference to South East Asia. Earlier in his career his research interests were in the areas of technological change (learning by doing) and in the introduction of James Meade’s seminal work (in the "Principles of Political Economy") on population growth rates and dependency ratios into optimal growth theory and the economics of exhaustible resources. On these matters he gratefully acknowledges the help and encouragement of K Arrow and T Koopmans. This work was published in leading journals such as the International Economic Review, the Review of Economic Studies and Econometrica. Later he worked on dynamic game theoretic models of inter-generational altruism to examine optimal bequest structures and has published extensively in this area. His more recent interests have been in the area of the economics of transition economies where he has worked in collaboration with Stanislav Gomulka. Lately he is focused on the economics of uncertainty as applied to medical decision making and is hoping to improve the bridge between the economics and medical professions. He has served as a referee for leading academic journals such as the Review of Economic Studies and the International Economic Review.

Abstract:

A general equilibrium model is developed in which price changes are triggered by a tax reform and resource mobility is restricted. Removing a pre-transition price distortion causes a recession in the short run, the size of which is shown to be proportional to the original distortion. Permitting inter-sectoral wage differences would moderate the recession but at a cost in long-term efficiency. An increase in government spending reduces total unemployment, but at a cost in long-term welfare, while inter-sectoral transfer through inter-enterprise debt makes the sectoral distribution of unemployment more equal but does not change total unemployment and may reduce welfare.

Reservation:

Admission is free. Please reply to Christina, e-mail: achristina@ntu.edu.sg or Tel: 6790-5689 to confirm your attendance.