



Nanyang Technological University

DIVISION OF ECONOMICS

Seminar Series

The Division of Economics invites you to a seminar by Professor Ping Chen

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- Speaker** : **Ping Chen**
Professor, Fudan University
- Topic** : **"Re-examing Lucas theory of monetary neutrality and micro-foundations"**
- Chairperson** : **Albert Winsemius Professor Ng Yew Kwang**
Division of Economics
School of Humanities & Social Sciences
- Date** : **15th June 2016 (Wednesday)**
- Time** : **3.00pm to 4.00pm**
- Venue** : **HSS Seminar Room 5 (HSS 04-89)**
Nanyang Technological University
School of Humanities and Social Sciences
14, Nanyang Drive
Singapore 637332

About the Speaker:

Professor Ping Chen is a very prominent economist/physics scientist, a retired professor of economics at Peking University, currently a research fellow of Fudan University, China. He holds a Ph.D. in Physics at University of Texas at Austin. He is a member of editorial board of Social Economics Forum, World Economic Journal, and a member of executive committee of World Economic Association.

Abstract:

Lucas theory of monetary neutrality and micro-foundations was based on general equilibrium theory without solid empirical foundations. Two observations raise serious challenges to the Lucas theory. First, macro and financial indexes are essentially non-linear and non-stationary, which is beyond the scope of linear and equilibrium approach in macro and econometrics. Second, monetary policy is closely linked to investment and growth which can be analyzed by metabolic growth theory. We have solid evidence of meso-foundation based on the Principle of Large Numbers. We found out that large fluctuations in macro and finance data can only be explained by financial structure rather than household behavior. Non-neutrality of monetary policy is rooted in evolutionary dynamics driven by technology metabolism and changing structure. New science of complexity and non-equilibrium physics provide more advanced tools in analyzing macro and finance data for addressing fundamental issues in economic theory

Reservation:

Admission is free. Please reply to h-dae@ntu.edu.sg to confirm your attendance.