



# 10th International Post Keynesian Conference

Theme: "Post Keynesian Economic Policy"

June 29th - July 1st, 2008

Kansas City, Missouri USA

[www.cfeps.org](http://www.cfeps.org)

## POST KEYNESIAN ECONOMIC POLICY

### CONFERENCE PROGRAM

The Marriott Country Club Plaza Hotel  
4445 Main Street  
Kansas City, MO 64112 USA

June 29 – July 1, 2008

*Sponsored By:*

**THE CENTER FOR FULL EMPLOYMENT AND PRICE STABILITY**



**THE UNIVERSITY OF MISSOURI – KANSAS CITY**



**JOURNAL OF POST KEYNESIAN ECONOMICS**



# **2008 Post Keynesian Conference**

**SATURDAY, JUNE 28<sup>TH</sup>**

**6:00pm-9:00pm**

**REGISTRATION AND WELCOME RECEPTION**

Marriott Conference Center ~ 2<sup>nd</sup> Floor

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***Conference events to be held on the 2<sup>nd</sup> floor conference facility of the Marriott***

**SUNDAY, JUNE 29<sup>TH</sup>**

**8:30 – 10:00am**

**SESSION: STUDENT PRESENTATIONS** (*Seville Ballroom*)

Chair: *Colin Richardson*

**Felipe Rezende**

Keynes's New Microtheory for Macroeconomics

**Matthew Greenwood-Nimmo**

Monetary Policy with Endogenous Financial Fragility

**Micheal Carr**

Money, growth and the environment: Addressing the Policy Dilemma

**Yun Kyu Kim**

Debt and Growth Dynamics in Kaleckian Economics

**10:00 – 10:30am**

**BREAK**

**10:30am – 12:00pm**

**SESSION 1: International/Development** (*Grand D*)

Chair: *Luiz Fernando Cerqueira*

**Alicia Girón**

Migration, Remittances and Macroeconomic Environment

**John Marangos**

A Post Keynesian Perspective on the 'After the Washington Consensus'

**Lino Sau**

Gradualism in the Transition of the Financial System: The Case of China

**SESSION 2: Current Financial Crisis** *(Grand E)*

**CHAIR:** *Marco Crocco*

**Stephanie Kelton**

Did Greenspan Blow It?

**Jan Kregel**

Minsky's Cushions of Safety: Systemic Risk and the Crisis in the U.S. Subprime Mortgage Market

**Randall Wray**

Lessons from the Financial Markets Meltdown

**12:00 – 1:30pm**

LUNCH *(Grand F/G)*

**1:30 – 3:00pm**

**SESSION 3: Central Banks and the Determination of Interest Rates I** *(Grand D)*

**CHAIR:** *Luiz Carlos Bresser-Pereira*

**Sonmez Atesoglu**

Taylor and Keynesian Monetary Policy Rules

**Mario Seccareccia**

In Search of the Will-O'-The-Wisp: Central Banking and the Natural Rate of Interest

**Thomas Palley**

Asset Bubbles and Monetary Policy: Why Central Bankers Have it Wrong

**SESSION 4: Basel II and Bank Regulation** *(Grand E)*

**CHAIR:** *Jose A. Cordero*

**Ana Rosa Ribeiro de Mendonca and Simone de Deos**

Basel Agreements and Minsky's Financial Instability Hypothesis

**Rogério Sobreira and Francisco Pinto**

Antitrust Policy And Prudential Regulation In Banking: Is It Possible To Converge? Theory and Lessons from Brazil

**Marco Aurélio Crocco and Ana Tereza Lanna Figueiredo**

Regional Banking Strategy: An Introductory Note for the Brazilian Case

**3:00 – 3:30 pm**

BREAK

**3:30 – 5:00pm**

**SESSION 5: Monetary Theory** (*Grand D*)

**CHAIR:** *H. Sonmez Atesoglu*

**Fernando J. Cardim de Carvalho**

Uncertainty, Money and the Interest Rate: Tobin and Kahn an a Puzzle of Liquidity Preference Theory

**Bernard Vallageas**

A Treatise on Money, the General Theory, and the Circuit Theory

**David Dequech**

Conventions, Conformity, and Deviation: A Preliminary Discussion

**SESSION 6: Microeconomics I – Pricing, Competition, and Growth** (*Grand E*)

**CHAIR:** *Arturo Huerta*

**Tsuyoshi Yasuhara**

Manufacturing Sector Performance in Mexico, Under Balance-of-Payments-Constrained Growth

**Jim Case**

On The Construction of (Relatively) Optimal Price Strategies

**Tuna Baskoy**

Post Keynesian Economics and Antitrust/Competition Policy

**5:15 – 6:30pm**

**SESSION 7: Macro Theory** (*Grand D*)

**CHAIR:** *James Juniper*

**Luiz Carlos Bresser-Pereira**

The Two Methods and the Hard Core of Economics

**Jack Sustman**

Toward a More Rigorous Post Keynesian Theory and Policy

**Massimo Ricottilli, Franco Nardini, Rainer Andergassen**

Effective Demand, Innovation Waves and Aggregate Investment Dynamics

**5:15 – 6:30pm**

**SESSION 8: Policy** (*Grand E*)

*CHAIR: Gilberto Libânio*

**Yavuz Yaşar**

It is the Prices Stupid! The Underlying Problems of the US Social Security System

**André Lourenço and Zoraide Bezerra Gomes**

Government as Employer of Last Resort in Brazil: A Program for Full Employment, Stability and Fair Work Conditions Applied to an Underdeveloped Country

**Etelberto Ortiz Cruz**

Capital Theory in Contemporary Orthodox Macroeconomics: Its Importance for Policy Making

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**MONDAY, JUNE 30<sup>TH</sup>**

**8:30 – 10:00am**

**SESSION: STUDENT PRESENTATIONS** (*Seville Ballroom*)

*CHAIR: Wesley Colin Marshall*

**Claudia Maya and Karol Gil**

The Remittances as an Instrument for Financing Economic Development in the Migrants Rural Areas in Mexico

**Robert Vergeer**

Explaining Unemployment in the OECD since the 1960s: A robustness contest – NAIRU vs. Keynes

**Pedro Linhares Rossi**

The Pyramid and the Sphinx – Study on Currency Hierarchy and its Consequences for Underdeveloped Countries

**Paul Ramskogler**

Conflict Inflation, Wage Bargaining and the Effects of Coordination

**10:00 – 10:30am**

**BREAK**

**10:30am – 12:00pm**

**SESSION 9: Fiscal Policy** *(Grand D)*

**CHAIR:** *John Marangos*

**Pavlina Tcherneva**

A Comeback for Fiscal Policy: Can the Recent New Consensus Contributions be Reconciled with the Post Keynesian View?

**W. Robert Brazelton**

The Background and Economics of Leon H. Keyserling, Council of Economic Advisors, and Constant Critic?

**Claudio Sardoni**

The Sustainability of Public Debt: A Keynesian Perspective

**SESSION 10: Growth and Development** *(Grand E)*

**CHAIR:** *Jairo J. Parada*

**Leonardo Vera**

Conflict Inflation and Trade Structure in an Open Economy

**Jose A. Cordero**

Growth and Distribution in an Open Monetary Economy: A Post Keynesian Model

**Gilberto Libânio**

Aggregate Demand and the Endogeneity of the Natural Rate of Growth: Evidence from Latin American Economies

**12:00 – 1:30pm**

**LUNCH** *(Grand F/G)*

**1:30 – 3:00pm**

**SESSION 11: Macro Demand, Sectoral Analysis** *(Grand D)*

**CHAIR:** *Noemi Levy Orlik*

**Antonio Carlos Macedo e Silva and Claudio H. dos Santos**

Peering Over the Edge of the Short Period – Post Keynesian Theory and Stock-flow Consistent Models

**Thomas Palley**

The Macroeconomics of Financialization: A Stages of Development Approach

**Ramaa Vasudevan**

The Dollar, Financialization and Emerging Markets

**1:30 – 3:00pm**

**SESSION 12: Economic Stabilization** (*Grand E*)

**CHAIR:** *Rogério Sobreira*

**Mario Rubens de Mello Neto and Carlos Pinkusfeld Bastos**

Brazilian Stabilization Plans: Theory and Rhetoric

**Alicia Girón and Alma Chapoy**

The Puzzle of Minsky's Crises

**3:00 – 3:30pm**

BREAK

**3:30 – 5:00pm**

**SESSION 13: Learning from the Past – Heterodox Economic Theory** (*Grand D*)

**CHAIR:** *Leonardo Vera*

**Yavuz Yaşar and Mark Lautzenheiser**

Reconciling Marx and Keynes: The Balancing Condition, the Investment-Saving Nexus, and the Two-Price System

**Robert Scott, III**

Kenneth Boulding's Ecological Economics

**Colin Richardson and Jerry Courvisanos**

Modeling Keynes and Kalecki With Minsky

**SESSION 14: Exchange Rates and Development** (*Grand E*)

**CHAIR:** *Erik Olsen*

**Gilberto Libânio and Paulo Gala**

Exchange Rate Policies, Patterns of Specialization and Economic Development: Theory and Evidence in Developing Countries

**Fernando Ferrari-Filho**

Exchange Rate Regime Proposal for Emerging Countries: A Keynesian Perspective

**Arturo Huerta**

The Prevalence of a Dysfunctional Exchange Rate within Latin-America's Economic Growth: Mexico's Case

**5:15 – 6:30pm**

**SESSION 15: Debt and Instability** (*Grand D*)

*CHAIR: L. Randall Wray*

**Steve M. Fazzari and Barry Z. Cynamon**

Household Debt in the Consumer Age: Source of Growth--Risk of Collapse

**Steve Keen**

Modeling a Credit Crunch in a Pure Credit Economy

**Michael Hudson**

A "Permanent" Capital-Gains Economy? Institutionalizing the Financial Bubble

**SESSION 16: Microeconomics II** (*Grand E*)

*CHAIR: Jim Case*

**Jairo J. Parada and William R. Baca**

The Relevance of Duesenberry Consumption Theory: An Applied Case to Latin America

**Luiz Fernando Cerqueira, Carmem Aparecida Feijó and Jose Carlos Miranda**

Determinants of Industrial Mark up in Brazilian Industry in the Nineties

**James Juniper**

Environmental Innovation—A Post Keynesian Interpretation

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**TUESDAY, JULY 1<sup>ST</sup>**

***All sessions will be held in the Seville Ballroom***

**8:30 – 10:00am**

**SESSION: STUDENT PRESENTATIONS**

*CHAIR: Robert Brazelton*

**Roberta Guimarães**

High Crime Rates in Brazil: A Necessary Debate

**Florian Hartmann**

Perfect Finance-led World Capitalism in a Nutshell

**Nick Falvo**

Responses to Homelessness

**10:00 – 10:30am**

**BREAK**

**10:30am – 12:00pm**

**SESSION 17: Savings, Development and Distribution**

*CHAIR: Pavlina Tcherneva*

**Basil Moore**

FLASH!!! IN MACROECONOMICS SAVINGS IS NONVOLITIONAL

**Tracy Mott**

Profits, Wages, and Productivity Since 1973

**Noemi Levy Orlik**

The Reshaping of the Mexican Financial System: New Institutions and Development Finance

**12:00 – 1:30pm**

LUNCH (*Grand F/G*)

**1:30 – 3:00pm**

**SESSION 18: Central Banks and the Determination of Interest Rates II**

*CHAIR: Bernard Vallageas*

**Éric Tymoigne**

Why is a Zero Interest Rate Target the Best Interest-rate Policy for a Central Bank?

**André de Melo Modenesi**

Convention and Conservatism in Monetary Policy: The Brazilian Central Bank's Reaction Function (2000-2007)

**Felipe Rezende**

The Nature of Government Finance in Brazil

**3:00 – 3:15pm**

BREAK

**3:15 – 5:15pm**

**SESSION 19: US Crisis**

**CHAIR: ERIC TYMOIGNE**

**Wesley Colin Marshall**

Diagnosing the American Financial Crisis of 2007-2008: Classic or Secondary Banking crisis?

**Paul Davidson**

The Sub-Prime Crisis, Securitization and Market Failure as Analyzed by Keynes's Liquidity Preference Theory vs. the Efficient Market Theory

**William Black**

How the Recurrent Economic Crises and Epidemics of “Control Fraud” have Falsified “Modern Finance’s” Core Theories, Policies, and Methodology

## **CONFERENCE KEYNOTE DINNER**

**KEYNOTE SPEAKER: JOHN B. DAVIS**

**Marquette University and the University of Amsterdam**

**“Uncertainty and the Individual: A Post Keynesian View”**

Cocktails 6:00pm

*Featuring Local Jazz Musician David Basse and City Light*

Dinner 7:00pm

**FIGLIO TOWER**

209 West 46<sup>th</sup> Street

*Please make sure you have registered for this event.*