The Division of Economics and the Economic Growth Centre cordially invite you to a seminar by Assoc Prof Guang-Zhen SUN

Speaker: Assoc Prof Guang-Zhen SUN
University of Macau, China

Topic: "Risk-Taking, Market Selection and Income Mobility: Theory and Applications"

Chairperson: Professor Ng Yew Kwang
Division of Economics
School of Humanities & Social Sciences
Nanyang Technological University

Date: Wednesday, 23 April 2014
Time: 2:30 pm - 4:00 pm

Venue: HSS Meeting Room 5 (HSS-04-89)
Nanyang Technological University
School of Humanities and Social Sciences
14, Nanyang Drive
Singapore 637332

About the Speaker:
Holding a PhD in economics from Monash University, Australia (1999), GZ SUN is now Associate Professor of Economics at the University of Macau. His research interests are mainly microeconomics and the history of economic thought. His joint work with collaborators helped establish the theoretical foundation of a large literature on endogenous labor specialization. His inquiry into the history of ideas about the market process and specialization led to, for the first time, a systematic and comprehensive narrative of how the notion of the division of labor, as a central idea in economics, has evolved over the past centuries. Conceiving of the contemporary scholarship of the subject in a broad perspective of the global history of social and economic thought, this study helps illuminate the strengths and weaknesses of the scholarship. He has also published at times on topics in axiomatization, public choice, theory of the firm, evolutionary economics, etc., and on less-dismal-than-normal topics such as general equilibrium analysis of how large scale societies of ants self-organize. His recent work include a book, The Division of Labor in Economics: A History (Routledge, London and New York, 2012; Chinese translation to appear in late 2014 or early 2015), and articles "The economics of the division of labor in early Chinese literature: with particular comparison to the ancient Greek thought" (The European Journal of the History of Economic Thought, in press), "The lure of illusory luck" (a joint work with J Yuan and R Siu in behavior economics, R&R at Journal of Economic Behavior & Organization) and "A theory of multi-unit auction in competing markets" (a joint work with W Juang and K Yuan on auction, under review at a journal in economic theory). Among the services he has provided to the scientific community of economists, the commitment he currently takes most seriously is his editorial job at a new journal, Man and the Economy, founded by the late Dr. Ronald H Coase, one of the very few model scholars in social sciences, and intended to help make a difference in economics as a social science.

http://www.degruyter.com/view/j/me

Abstract:
Risk-Taking, Market Selection and Income Mobility: Theory and Applications

We develop a Markov mobility model to study how market competition, as the market deepens to the extent that entrepreneurial undertaking become viable for certain individuals, effectively screens the individuals/households’ entrepreneurial abilities by rewarding those with a high ability and punishing those with a lower one, and, as a consequence, how the screening leads to intergenerational income mobility in favor of the former even when and if the latter is privileged to initially possess more wealth than the former. Our theory has implications for understanding the income and wealth mobility in the economies, such as the post-reform China and the post-apartheid South Africa, wherein the expanding market order has been rapidly reshaping the economic life that used to be deeply embedded in the social fabric and long entrenched institutions, which are often against the logic of the market. We confront our theoretical predictions with a dataset regarding income mobility of about 1500 households in rural China during the period 1989-2009 and empirical evidence from other developing economies as well.

Reservation:
Admission is free. Please reply to Director-EGC, e-mail:d-egc@ntu.edu.sg to confirm your attendance.