

On Dynamics in a Two-regional Model

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My talk will be on a two-regional macroeconomic model which was introduced by professor Asada from Tokyo in "Studies of Regional Science", Vol. 34, No. 2, 2004.

In this paper Asada constructed this model and solved the question of the stability of its equilibrium under the assumption of fixed exchange rates. I constructed on the base of the Asada's model a model working under flexible exchange rates and solved the question of the stability of an equilibrium. I investigated together with my colleague Malicky the question of the existence of cycles in this model. We have also found sufficient conditions for the existence of tori in this model. Professor Asada is familiar with these results and he appreciates them.