

International Conference Asia-Pacific Economic Association

“APEA 2009”

University of California, Santa Cruz, June 27-28, 2009



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“APEA 2009”

CONFERENCE SCHEDULE

Day 1: Saturday, June 27, 2009

8:30 – 9:30 am	Local Registration and Breakfast (E2 Quadrangle)
9:30 – 10:00 am	Welcoming Remarks (Baskin Auditorium)
10:00 – 12:00 pm	Sessions 1 – 5
12:00 – 2:00 pm	Lunch (E2 Quadrangle)
2:00 – 2:45pm	Keynote Speech I (Baskin Auditorium)
2:45 – 3:15 pm	Coffee Break (E2 Quadrangle)
3:15 – 5:15 pm	Sessions 6 – 10
5:15 – 8:00 pm	Reception, Dinner (E2 Quadrangle) and Keynote Speech II (Baskin Auditorium)

Day 2: Sunday, June 28, 2009

8:00 – 9:00 am	Breakfast (E2 Quadrangle)
9:00 – 11:00 am	Sessions 11 – 15
11:00 – 11:15 am	Coffee Break (E2 Quadrangle)
11:15 – 1:15 pm	Sessions 16 – 20
1:15 – 2:15 pm	Lunch (E2 Quadrangle)
2:15 – 3:00 pm	Keynote Speech III (Baskin Auditorium)
3:00 pm	Closing Remarks (Baskin Auditorium)

The sessions will be held in the following rooms:

- Baskin Auditorium: welcoming and closing sessions, keynote speeches, sessions 1, 6, 11, and 16.
- Room 180 (ground floor, E2 building): sessions 2, 7, 12, and 17
- Room 192 (ground floor, E2 building): sessions 3, 8, 13, and 18
- Room 194 (ground floor, E2 building): sessions 4, 9, 14, and 19
- Room 499 (4th floor, E2 building): sessions 5, 10, 15, and 20

Saturday, June 27, 2009

8:30 – 9:30 am Local Registration and Breakfast (E2 Quadrangle)

9:30 – 10:00 am Welcoming Remarks (Baskin Auditorium)

10:00 – 12:00 pm **Sessions 1 – 5**

1. Bank of Korea Session: **Finance in the Open Economy**

Chair: Michael Hutchison (UCSC)

Geun-young Kim, (Bank of Korea), “Double Drain, Risk of Recession and Monetary Policy in Small Open Economies”

Discussant: Michael Hutchison (UCSC)

Seong-Hun Yun (Bank of Korea), “The Impact of Exchange Rate on Trade Balance under Incomplete Exchange Rate Pass-Through”

Discussant: Reuven Glick (SF FED)

Byuong Gi Kim (Bank of Korea), “Market Structure Bargaining and Covered Interest Parity”

Discussant: Yin-Wong Cheung (UCSC)

Aizenman Joshua (UCSC), with **G. Pasricha** (UCSC), “Selective Swap Arrangements and the Global Financial Crisis: Analysis and Interpretation”

Discussant: Robert Dekle (USC)

2. **Information and Technology Transfer in Trade**

Chair: Jennifer Poole (UCSC)

Anca Cristea (Purdue University), “Face-to-Face Communication in International Trade: Evidence from U.S. State-Level Data”

Discussant: Johannes Moenius, (University of Redlands)

Jennifer Poole (UCSC), “Business Travel as an Input to International Trade”

Discussant: Carolyn Evans (Santa Clara University)

Kiheung Kim (Kyonggi University), “Technology Spillovers and Technology Transfer Leakage from Foreign Direct Investment in Korea”

Discussant: Rajeswari Sengupta (UCSC)

Ben Zissimos (Vanderbilt University), “Patent Breadth in an International Setting”

Discussant: Katheryn Russ (UC Davis)

3. **Asian Monetary and Financial Issues, I**

Chair: Ozan Sula (Western Washington University)

Manfred Keil (Claremont McKenna College), **Ramkishan Rajan** (George Mason University),

Thomas Willett (Claremont Graduate University), “Financial Interdependence, Capital Mobility and Monetary and Exchange Rate Cooperation in Asia”

Discussant: Helen Popper (Santa Clara University)

David Parsley (Vanderbilt University) and **Helen Popper** (Santa Clara University), “Evaluating Exchange Rate Objectives in Monetary Policy Rules: An Application to Korea”

Discussant: Manfred Keil (Claremont McKenna College)

Kenneth Kim (Claremont Graduate University) and **Thomas Willett** (Claremont Graduate University), “Korean Exchange Rate Policy”

Discussant: Alice Ouyang (Central University of Finance and Economics)

Stefan Collignon (Saint Anna School of Advanced Studies, Pisa), “Monetary mercantilism and economic growth in East Asia”

Discussant: Thomas Willett (Claremont Colleges)

4. **Domestic and International Financial Markets in Japan**

Organized by Institute of Statistical Research (ISR) and Tokyo Center for Economic Research (TCER)

Chair: **Shin-ichi Fukuda** (University of Tokyo)

Junko Shimizu (Senshu University) and **Eiji Ogawa** (Hitotsubashi University) “AMU Deviation Indicators and Coordinated Exchange Rate Policies under the Global Financial Crisis”

Yuri Sasaki (Meiji Gakuin University), “Exchange Rate Pass Through in Japanese Automobile Trade – Empirical Analysis based on the Interviews with Japanese Automobile Companies”

Qing-yuan Sui (Yokohama City University), “Some Causes and Consequences of the Changes in Accounting Rule: the Case of Japanese Banks”

Shin-ichi Fukuda (University of Tokyo) and **Junichi Nakamura** (Development Bank of Japan), “Why have ‘Zombie Firms’ Recovered in Japan?”

5. International Trade

Chair: **Kar-yiu Wong** (University of Washington)

Tadashi Inoue (Hiroshima Shudo University), “Immiserizing Growth and Mobility of Capital with and without Land in Harris-Todaro Model”

Binh Tran-Nam (University of New South Wales), “An Extended Ricardian Model Under the Gossenian Assumption that Consumption Requires Time”

Ke-Shaw Lian (National Cheng-Chi University), “The welfare analyses of bilateral tariff increases under the existence of trade costs”

Lex Zhao (Kobe University), “Tainted Food, Low-Quality Products and Trade”

12:00-2:00pm: **Lunch** (E2 Quadrangle)

2:00-2:45pm: **Keynote Speech I: Stephen Turnovsky** (University of Washington).

“The Distributional Consequences of Foreign Transfers: Do they Reduce or Exacerbate Inequality?” (with **Serpil Tekin**)

2:45 – 3:15 pm: **Coffee Break** (E2 Quadrangle)

3:15 – 5:15 pm **Sessions 6 – 10**

6. Global Balances

Chair: **Robert Dekle** (USC)

McKinnon Ronald (Stanford), **Brian Lee** (Stanford) and **Yi David Wang** (Stanford) “The Global Credit Crisis and China’s Exchange Rate”

Dekle Robert (USC), “Global Imbalances, Productivity Differentials”

Jiang William Y. (San José State University), “The New Asia Hemisphere and the West: A Re-Examination of Global Economic and Political Power Shifts in the 21st Century.”

Michael Hutchison (UCSC) “Do Both U.S. and Foreign Macro Surprises Matter for the Intraday Exchange Rate? Evidence from Japan”

7. Trade, Investment, and Firm Heterogeneity

Chair: **Alan Spearot** (UCSC)

Stephen Yeaple (Penn State University), “Global Production and Trade in the Knowledge Economy” (with **Wolfgang Keller**)

Discussant: **Alan Spearot** (UCSC)

Katheryn Russ (UC Davis), “Unleashing the Bond Market: Implications of Firm Financing Decisions for Aggregate Welfare” (with **Diego Valderrama**)

Discussant: **Martin Bodenstein** (Federal Reserve Board of Governors)

Mina Kim (Bureau of Labor Statistics), “Does Trade Liberalization Affect Labor Market Churning?”

Discussant: **Jennifer Poole** (UCSC)

Mine Senses (Johns Hopkins University), "Trade Liberalization and Wages: Evidence from Matched Employer-Employee Data (with **Pravin Krishna** and **Jennifer Poole**)
Discussant: Xuepeng Liu, (Kennesaw State University)

8. **Asian Monetary and Financial Issues, II**

Chair: Jingjing Xu (Claremont College)

Penny Angkinand (Milken Institute), **James R. Barth** (Milken Institute) and **Hyeongwoo Kim** (Auburn University), "Are growing interdependencies among countries a source of contagion?"

Richard C.K. Burdekin (Claremont McKenna College) and **Ran Tao** (Claremont Graduate University), "An ABC Guide to Provincial Lending Patterns in China: Progress and Prospects"

Discussant: Jingjing Xu (Claremont McKenna College)

Priscilla Liang (Cal State University, Channel Islands), **Thomas Willett** (Claremont Graduate University) and **Nan Zhang** (Claremont Graduate University) "Asia and the Current Financial Crisis"

Discussant: Levan Efremidze (UCLA)

Masami Imai (Wesleyan University), "Bank Integration and Local Credit Cycle: Evidence from Japan."

9. **Population Economics of Population Aging**

Chair: Yin-Wong Cheung (UCSC)

Hippolyte d'Albis (Toulouse School of Economics), "Ambiguous Life Expectancy and Optimal Annuitization"

Paul Lau (University of Hong Kong), "Fertility and Mortality Changes in an Overlapping Generations Model with Realistic Demography"

Miguel Sanchez-Romero (University of California, Berkeley), "Bearing the Cost of Population Aging: Familial vs. Public Old-Age Support"

Kapoor Shruti (UC Riverside), "Infant Mortality in India: District-Level Variations and Correlations"

10. **International Finance**

Chair: Eiji Ogawa (Hitotsubashi University)

Wei-ting Wang and **Tsung-wu Ho** (Shih Hsin University), "Emerging Markets and International Risk Sharing"

Andreas Steiner (University of Mannheim), "How Central Banks Prepare for Financial Crises - An Empirical Analysis of the Effects of Crises and Globalization on International Reserve Holdings"

Yothin Jinjarak (NTU), "Some macroeconomic consequences of rising net foreign assets"

Pym Manopimoke (University of Washington), "An Analysis of the Real Interest Rate and Monetary Policy under Regime Shifts"

5:15 – 8:00 pm **Reception, Dinner** and

Keynote Speech II, Kyungsoo Kim, Deputy Governor, Bank of Korea (E2 Quadrangle)

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Sunday, June 28, 2009

8:00 – 9:00 am Breakfast (E2 Quadrangle)

9:00 – 11:00 am **Sessions 11 – 15**

11. Development Issues

Chair: **Inchul Kim** (Sungkyunkwan University)

Nguyen Hiep (Danang University of Economics) and **Shoji Nishijima** (Kobe University),
“Export Intensity and Impact from Firm Characteristics, Domestic Competition and
Domestic Constraints in Vietnam: A Microdata Analysis”

Truong Ba Thanh and **Nguyen Manh Toan** (Danang University of Economics), “The Effect of
Trade Liberalization on Income Distribution in Vietnam - Dynamic CGE Approach”

Ruirui Cao (Renmin University of China), “Enterprises Burdened with Social Service and
Corporate Social Responsibility (CSR) in China”

Jin-Young Chung and **Kar-yiu Wong** (University of Washington), “Tax Policy Competition
for FDI and Trade Strategy of Multinational Corporations between Two Rival Countries”

12. Estimating Trade Flows

Chair: **Alan Spearot** (UCSC)

Johannes Moenius (University of Redlands), “Crossing the Border (Puzzle): On the Role of
Prices in the Gravity Model” (with **Victor Trindade** and **Wei Wu**)

Discussant: **Anca Cristea** (Purdue University)

Maxim Belenkiy (UCSC), “The Extensive Margin in Industry-Trade: Estimation, Significance,
and Implications”

Discussant: **Maya Meidan** (Stanford University)

Alan Spearot (UCSC), “Kicking the Bad Apples Out: Import Liberalization and Bilateral Trade”

Discussant: **Peter Morrow** (University of Toronto)

Peter Morrow, (University of Toronto), “Firm Heterogeneity and Ricardian Comparative
Advantage: The Impact of Domestic Competition on Export Performance”

Discussant: **Stephen Yeaple** (Penn State University)

13. Capital Flows, Crises and International Reserves

Chair: **Manfred Keil** (Claremont McKenna College)

Levan Efremidze (UCLA), **Sam Schreyer** (CGU) and **Ozan Sula**, (Western Washington
University), “Sudden Stops and Currency Crises”

Discussant: **Ran Tao** (Claremont Graduate University)

Chiratus Ratanamaneichat (Kasem Bundit University) and **Sam Schreyer** (CGU), “The
spectrum of sudden stop crises: does size really not matter?”

Discussant: **Penny Angkinand** (Milken Institute)

Ozan Sula (Western Washington University), “Demand for International Reserves: A Quantile
Regression Approach”

Discussant: **Jie Lie** (Central University of Finance and Economics)

Jie Lie (Central University of Finance and Economics) and **Alice Ouyang** (Central University of
Finance and Economics), “Seigniorage, REER and a Measure of International Reserves
Holding Costs”

Discussant: **Ozan Sula** (Western Washington University)

14. Corporate Governance and Banking

Chair: **Qing-yuan Sui** (Yokohama City University)

Hiroshi Izawa (Ritsumeikan University), **Kenichi Ito** (Setsunan University), and **Yoshihiro Dohmyo** (Nara University), “The Japanese Model of Corporate Governance – Revisited”
Satoshi Koibuchi (Chiba University of Commerce), “How did Japanese banks rescue their large distressed clients? Evidences from debt forgiveness during the ‘Lost Decade’”
Yu-Hsiu Lin (National Kaohsiung University of Applied Sciences) and **Len-Kuo Hu** (National Chengchi University), “Optimal Bank Regulation in an Economic Boom and Recession”
Ying Gao (Northeastern University Shenyang), **Yiou Li** (Illinois Institute of Technology), and **Ran Ma** (Illinois Institute of Technology), “Empirical Research on the Relationship between the Shareholder Structure of Listed Companies in China and their stock liquidity”

15. Some Issues on Economic Policies

Chair: **Chung Mo Koo** (Kangwon National University)

Unja Chae (Intel Corporation), **William A. Barnett**, and **John W. Keating** (University of Kansas), “Forecast Design in Monetary Capital Stock Measurement”
Chong Bum An (Sungkyunkwan University), “The Causes of Early Retirement: Social Security Generosity or Population Aging”
Nayoung Kim (Seoul National University), **Minkyung Kim** (Seoul National University), and **Sangheon Kim** (Seoul National University), “The Empirical Study on Influence that the Introduction of Local Government System has on Financial Balance between Regions”
Lili Chen (Southwest University of Finance and Economics), “Spillover Effect and Market Selection Effect of FDI—Evidence from China”

11:00-11:15 am: **Coffee Break** (E2 Quadrangle)

11:15 – 1:15 pm **Sessions 16 – 20**

16. Macro Economic Growth

Chair: **Joshua Aizenman** (UCSC)

Lim Jamus Jerome (WB), “Institutions, Education, and Economic Performance”
Young Joon Kim (UC Davis), “Simple Endogenous Growth Model with Heterogeneous Workers”
Inchul Kim and **Min-Kyong Ko** (Sung Kyun Kwan University), “The Impact of Religion on Growth”
Jang-Ting Guo (UC Riverside), “Progressive Taxation and Macroeconomic (In)stability”

17. The Political Economy of International Commerce

Chair: **Alan Spearot** (UCSC)

Carolyn Evans (Santa Clara University), “Agricultural Protection and Electoral Systems: An Empirical Investigation” (with **Nicholas Obradovich**)
Discussant: **Mina Kim** (Bureau of Labor Statistics)
Xuepeng Liu (Kennesaw State University), “Free Trade Agreements and the Consolidation of Democracy” (with **Emanuel Orneleas**)
Discussant: **Ben Zissimos** (Vanderbilt University)
Hazel C Parcon (University of Hawai'i at Manoa), “Disaggregating PTAs and the Role of International Division of Labor on PTA Formation”
Discussant: **Danielken Molina** (UC San Diego)
Maya Meidan (Grad Student, Stanford University), “Vertical Integration and Trade Protection: The Case of Antidumping Duties”
Discussant: **Maxim Belenkiy** (UCSC)

18. Macro and Labor Issues

Chair: **Jakob de Haan** (University of Groningen)

Kanda Naknoi, (Purdue), “Real Exchange Rate Fluctuations, Wage Stickiness and Markup Adjustments”

Jakob de Haan (University of Groningen), “The European Economic and Monetary Union and Labour Market Reform” [with Elżbieta Bednarek and Richard Jong-A-Pinc]

Manfred Keil (Claremont McKenna College), “Univariate Regressions of Employment on Minimum Wages in the Panel of U.S. States” [with **Donald Robertson** and **James Symons**]

19. Public Policy

Organized by **Korea Institute of Public Finance** (KIPF)

Chair: **Won Ik Son** (Korea Institute of Public Finance)

Seung Rae Kim (Korea Institute of Public Finance), “Uncertain Climate Change, Learning, and Optimal Technological Portfolios”

Discussant: **Katsuhisa Uchiyama** (Development Bank of Japan)

Jin Kim (Korea Institute of Public Finance), “Tax Mix Change and Applications”

Discussant: **Chong Bum An** (Sungkyunkwan University)

Katsuhisa Uchiyama (Development Bank of Japan), “Environmentally Conscious Actions and Firm Value: A Case for DBJ's Environmental Rating Loan”

Discussant: **Seung Rae Kim** (Korea Institute of Public Finance)

20. Economic Integration

Chair: **Tadashi Inoue** (Hiroshima Shudo University)

Nobuaki Yamashita (La Trobe University), “Determinants of Fragmentation Trade: A Comparative Analysis of Japan and the US”

Evelyn S. Devadason (University of Malaya), “Reorganization of Intra-ASEAN Trade Flows: The China Factor”

Juyoung Cheong, University of Queensland and **Kar-yiu Wong**, University of Washington, “Global Free Trade: Regionalism as a Building Block or a Stumbling Block?”

1:15-2:15 pm: **Lunch** (E2 Quadrangle)

2:15-3:00 pm **Keynote Speech III: Rose Andrew** (UC Berkeley) and **Mark Spiegel** (SF FED), “The Causes and Consequences of the 2008 Financial Crisis: A MIMIC Approach.” (Baskin Auditorium)

3:00 pm: **Closing remarks** (Baskin Auditorium)

- to be followed by Wine tasting and Red Woods tour for interested participants