

Asia-Pacific Economic Association (APEA)

International Conference

Hitotsubashi University, July 30-31, 2005

<http://www.apeaweb.org/confer/hito05/>

Supporting Units and Sponsors for the Conference:

The Center for International Research on the Japanese Economy (CIRJE), University of Tokyo, Japan

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Nomura Security Company, Japan

The Korean Association of Public Finance and Economics

The Institute of Statistical Research, Japan.

Tokyo Center of Economic Research (TCER)

Program

July 29, Friday

19:00-20:30: Cocktail Party at Tachikawa Palace Hotel

Hosted by The Center for International Research on the Japanese Economy (CIRJE), The University of Tokyo.

July 30, Saturday

9:15-10:00: Registration

10:00-10:25: Opening Session

Room 5

Chair: Shin-ichi Fukuda (University of Tokyo)

Opening remarks: Kar-yiu Wong (University of Washington)

Keynote speech: Un-Chan Chung (President of Seoul National University)

“Growth Strategies in the Age of Globalization: The Korean Case”

10:30-12:30: Parallel Sessions 1

Session A-1:

Room 1

Japanese Financial Markets and Related Issues I

Sponsored by the Institute of Statistical Research

Chair: Eiji Ogawa (Hitotsubashi University)

Paper 1: Monzur Hossain (National Graduate Institute for Policy Studies) "Financial deregulations, conflict of interest and banking crisis in Japan: A Decision-theoretic-GARCH approach to analyze management behavior"

Discussant 1: Yukihiro Yasuda (Tokyo Keizai University)

Paper 2: Tatsuyoshi Miyakoshi (Tohoku University) and Yoshihiko Tsukuda (Tohoku University)

"Theoretical and Empirical Assessments of the Program for Financial Revival of the Japanese Banks"

Discussant for Paper 3: Ryuji Misumi (Hitotsubashi University)

Paper 3: Katsuhiko Okada (Kwansei Gakuin University) "Does Listing Locale Matter? – New Evidence from Japanese Exchange Listings"

Discussant for Paper 3: Satoshi Koibuchi (University of Tokyo)

Session A-2:

Room 2

Exchange Rate Regimes and Reserves Accumulation in Asia

Sponsored by Freeman Foundation in Political Economy and Claremont Colleges

Chair: Arthur Denzau (Claremont Graduate University)

Paper 1: Reza Siregar (University of Adelaide) "External Debt and Exchange Rate Overshooting: The Case of Selected East Asian Countries"

Discussant for Paper 1: Kwanho Shin (Korea University)

Paper 2: Tony Cavoli (University of Adelaide) and Ramkishan Rajan (National University of Singapore) "Have Exchange Rate Regimes in Asia Become More Flexible Post Crisis? Re-visiting the Evidence"

Discussant for Paper 2: Mark Spiegel (Federal Reserve Bank of San Francisco)

Paper 3: Junggun Oh (Bank of Korea) "Reserve Accumulation in High Capital Mobility: The East Asian Experiences"

Paper 4: Ramkishan Rajan (National University of Singapore) "Can High Reserves Offset Weak Fundamentals?"

Discussant for Papers 3 and 4: Sven Arndt (Claremont Mckenna College)

Session A-3:

Room 3

China, Hong Kong, and the World Economy:

Session in honor of Prof. YY Kueh, organized by Lok Sang Ho

Chair: Lok Sang Ho (Lingnan University)

Paper 1: Yun-Wing Sung (Chinese University of Hong Kong) "The Evolving Role of Hong Kong as China's Middleman"

Paper 2: Sonia Wong (University of Hong Kong) "China's Stock Market Development and Financial Liberalization"

Paper 3: Lok Sang Ho (Lingnan University) "A Sustainable Currency Regime for Hong Kong and the Mainland"

Paper 4: Mesut Saygili (University of Washington) and Kar-yiu Wong (University of Washington)
"Unilateral and Regional Trade Liberalization: China's WTO Accession and FTA with ASEAN"

Session A-4:

Room 4

Macroeconomics

Chair: Tadashi Inoue (Hiroshima Shudo University)

Paper 1: Jialiu Lu (Sun Yat-Sen (Zhongshan) University) "Neo-Keynes Dynamic Economics: A Growth Theory Based on Aggregate Cost-Benefit Analysis"

Paper 2: Masayuki Otaki (University of Tokyo) "On the Theory of Effective Demand and Money: A Neoclassical Interpretation"

Paper 3: Tamotsu Nakamura (Kobe University) "A Short-run and Long-run Analysis of a Quasi-stochastic Monetary Economy"

12:30-13:30: Lunch

13:30-15:00: Parallel Sessions 2

Session B-1:

Room 1

Theory and Its Applications

Chair: Sung Tai Kim (Chungju University)

Paper 1: Yuntong Wang (University of Windsor) and Hu Lu "Efficient Mechanisms For Trading Problems With Nonlinear Utility: The Myerson-Satterthwaite Theorem Revisited"

Paper 2: Marco Haan (University of Groningen) and Linda Toolsema "License Auctions when Winning Bids are Financed through Debt"

Paper 3: Yi-Chi Chen (National Cheng Kung University) and Eric Zivot (University of Washington)
"Postwar Slowdowns and Long-Run Growth: A Bayesian Approach of Structural-Break Models"

Session B-2:

Room 2

Macroeconomic Aspects of East Asia

Chair: Etsuro Shioji (Yokohama National University)

Paper 1: Jong Won Lee (Sungkyunkwan University) and Sang Don Lee (KRIVET) "A Practical Approach to the Estimation of North Korea's GNP"

Paper 2: Naziruddin Abdullah (International Islamic University Malaysia) "TFP as Asian Economies' Source of Economic Growth: Past Evidences, Measurement Issues and Recent Findings"

Paper 3: Tulus Tambunan (University of Trisakti) "Does Economic Growth Correlate with Poverty Reduction: Some Evidence from Indonesian Data"

Session B-3:

Room 3

Foreign Exchange Market

Chair: Takatoshi Ito (University of Tokyo)

Paper 1: Yuko Hashimoto (Toyo University) and Takatoshi Ito (University of Tokyo) "Microstructure of the Yen/Dollar Foreign Exchange Market: Patterns of Intra-day Activity revealed in the electronic broking system"

Paper 2: Hui-Kuan Tseng (National Chengchi University), Kun-Ming Chen (National Chengchi University), and Chia-Ching Lin, "Does International Trade Stabilize Exchange Rate Volatility?"

Paper 3: Yu-chin Chen (University of Washington) "Exchange Rates and Fundamentals: Evidence from Commodity Economies"

Session B-4.

Room 4

Public Economics in East Asia

(sponsored by the Korean Association of Public Finance and Economics)

Chair: Yin-Wong Cheung (UC, Santa Cruz)

Paper 1: Chih-Chin Ho (National Taiwan University), Hsien-Feng Lee (National Taiwan University), and Shu-Ling Lee (National Taiwan University) "A Proposed Earned Income Tax Credit Program in Taiwan"

Discussant for Paper 1: Young Jun Chun (University of Incheon)

Paper 2: Jin Kwon Hyun (Ajou University) "Tax Compliances in Korea and Japan: Why are they different?"

Discussant for Paper 2: Sung Tai Kim (Chungju University)

Paper 3: Young Jun Chun (University of Incheon) "Economic Effects of Work-Oriented Welfare Policies in the Presence of Uncertainty on Job Opportunity"

Discussant for Paper 3: Ryuichi Tanaka (Osaka University)

15:15-16:45: Parallel Sessions 3

Session C-1:

Room 1

Asian Crisis I

Sponsored by Tokyo Center of Economic Research (TCER)

Chair: Yin-Wong Cheung (UC, Santa Cruz)

Paper 1: Michael Alexeev (Indiana University) "The Korean Financial Crisis and the Soft Budget Constraint"

Paper 2: Hung-Jen Wang (Academia Sinica) "Financial Crisis and the Effects on Bank Credits – Evidence from Taiwan"

Paper 3: Chander Kant (Seton Hall University) "East Asian Crisis and Capital Flight"

Session C-2:

Room 2

International Economics I

Chair: Chan-Hyun Sohn (KIEP and Yokohama National University)

Paper 1: Fukunari Kimura (Keio University), Yuya Takahashi, Kazunobu Hayakawa, "Fragmentation in East Asia: Measuring the Significance of Physical Distance"

Paper 2: Hyun-Hoon Lee (UN, Kangwon National University), Hyeon-seung Huh, and Tadashi Inoue (Hiroshima Shudo University), "An Intertemporal Analysis of Foreign Borrowing for Developing Countries"

Paper 3: Henry Wan, Jr (Cornell University) and Yinggang Zhou (Cornell University) "Globalize at the Optimal Speed"

Session C-3:

Room 3

FDI

Chair: Jong Won Lee (Sungkyunkwan U)

Paper 1: Chia-Hui Lu (Academia Sinica) "Foreign Direct Investment and the Degree of Southern Penetration"

Paper 2: Deng-Shing Huang (Academia Sinica), Yo-Yi Huang, and Ching-Lung Tsay "Firm Size and FDI"

Paper 3: Seiichi Katayama (Kobe University), Sajal Lahiri, and Eiichi Tomiura (Yokohama National University) "Cost Heterogeneity and the Destination of Foreign Direct Investment"

Session C-4:

Room 4

Understanding Exchange Rates – Theory and Empirics

Chair: Yu-chin Chen (University of Washington)

Paper 1: Chi-Wa Yuen (U of Hong Kong) "Inflation and Output Dynamics in Open Economies: New Keynesian Perspectives"

Paper 2: Te-Ming Peng (Central Bank, Taiwan) "Endogenized Monetary Policy and Exchange Rate Determination"

Paper 3: Taeyoon Sung (KAIST Graduate School of Management) "What Makes Firms Manage FX Risk? - Evidence from an Emerging Market"

17:00-18:00: Plenary Session (joint session with APTS)

Room 5

Alan Woodland (University of Sydney)

"The short and long run effects of tied foreign aid on pollution abatement, pollution and employment: a pilot model" (with Albert Schweinberger)

Chair: Larry Qiu (Hong Kong University of Technology and Science)

18:30-20:00: Dinner

July 31, Sunday

9:15-10:15: Plenary Session (joint session with APTS)

Room 5

Richard Baldwin (Graduate Institute of International Studies, Geneva)

"Heterogeneous firms, agglomeration and economic geography: Spatial selection and sorting," (with Toshihoro Okubo)

Chair: Laixun Zhao (Kobe University)

10:30-12:30: Parallel Sessions 4

Session D-1:

Room 1

Topics on International Economics

Chair: Jin Kwon Hyun (Ajou University)

Paper 1: Masanori Ono (Fukushima University) "Trade credit and the Meltzer effect: Evidence from Japanese general trading companies"

Paper 2: John H. Dunning (University of Reading), Zu Kweon Kim (Konkuk University), and Chul-In Lee (Konkuk University) "Restructuring Regional Distribution of FDI: Convergence between Japanese and US Manufacturing FDIs"

Paper 3: Yasuyuki Sawada (University of Tokyo) and Satoshi Shimizutani (Hitotsubashi University), "Are People Insured Against Natural Disasters? Evidence from the Great Hanshin-Awaji (Kobe) earthquake"

Paper 4: Hung-ju Chen (National Taiwan University) and Chen-Min Hsu (National Taiwan University) "Current Account, Capital Formation and Terms of Trade Shocks: A Revisit of the Harberger-Lausen-Metzler Effect"

Session D-2:

Room 2

Asian Bond Market and Related Issues

Sponsored by Nomura Security Company

Chair: Eiji Ogawa (Hitotsubashi University)

Paper 1: Yuri Sasaki (Meiji Gakuin University) "Pass-Through of Exchange Rates on Import Prices in East Asian Countries"

Discussant for Paper 1: Kentaro Iwatsubo (Hitotsubashi University)

Paper 2: Kuo-chun YEH (National Chung Cheng University) "Is Our Model Collapsing? A Macro-econometric Analysis of EU Enlargement and Its Implications to East Asian Economic Cooperation"

Discussant for Paper 2: Mechthild Schrooten (Hitotsubashi University)

Paper 3: Eiji Ogawa (Hitotsubashi University) and Junko Shimizu (Hitotsubashi University) "Risk Properties of AMU denominated Asian Bonds"

Discussant for Paper 3: Shin-ichi Fukuda (University of Tokyo)

Session D-3:

Room 3

Chinese Economy

Chair: Kar-yiu Wong (University of Washington)

Paper 1: Wang, Yajie (Harbin Institute of Technology) "Real exchange rate and Balassa Samuelson Effect in China"

Paper 2: Laixin Liang (Central South University) "A Comparative Study of Financing Structure of China and U.S.A Based On The Life Cycle of High-tech Enterprises"

Paper 3: Feng Lou (University of International Business and Economics, China), Licheng Feng, and Guijun Lin "An Analysis of B-share Discounts in the Chinese Stock Market"

Session D-4:

Room 4

Industrial Organization

Chair: Hyun-Hoon Lee (UNESCAP)

Paper 1: George Jakubson (Cornell University), Kap-Young Jeong (Yonsei University), Donghun Kim (International University of Japan) and Robert T. Masson (Cornell University) "Cycles in Economic Activity, Industrial Structure and Price-Cost Margins: A New Methodology using a Structural Model"

Paper 2: Ichiroh Daitoh (Tohoku University) and Toru Kikuchi (Kobe University) "Interconnection Quality and Free Entry of Network Service Providers"

Paper 3: Leonard K. Cheng (Hong Kong University of Science and Technology) and Jae Nahm "Product Boundary, Vertical Competition, and the Double Mark-up Problem"

12:30-13:30: Lunch

13:30-15:00: Parallel Sessions 5

Session E-1:

Room 1

Asian Crisis II

Sponsored by Tokyo Center of Economic Research (TCER)

Chair: Chang Jae Lee (Korea Institute for International Economic Policy)

Paper 1: Etsuro Shioji (Yokohama National University) "Basket Pegs for East Asia? A New Open Macroeconomics Perspective"

Paper 2: Byung-Joo Lee (University of Notre Dame) "Economic Fundamentals on the Exchange Rates under Different Exchange Rate Regimes: Recent Experiences from the Korean exchange Rate Regime Change"

Paper 3: Eiji Ogawa (Hitotsubashi University) and Junko Shimizu (Hitotsubashi University) "A Deviation Measurement for Coordinated Exchange Rate Policies in East Asia"

Session E-2:

Room 2

Economic Growth and Environment

Chair: Masayuki Otaki (University of Tokyo)

Paper 1: Tadashi Inoue (Hiroshima Shudo University) "On the Global Stability of the Two Sector Endogenous Growth Model with and without Educational Investment Adjustment Costs"

Paper 2: Rae Kwon Chung (UNESCAP) and Hyun-Hoon Lee (UNESCAP and Kangwon National University), "Towards Environmentally Sustainable Economic Growth"

Paper 3: Hyun-Hoon Lee (UNESCAP), Rae Kwon Chung (UNESCAP), and Chung Mo Koo (Kangwon National University) "On the Relationship between Economic Growth and Environmental Sustainability"

Session E-3:

Room 3

Empirical Studies in International Economics

Chair: Henry Wan, Jr. (Cornell University)

Paper 1: Sung Jin Kang (Korea University) and Hong Shik Lee "Terrorism and FDI Flows: Cross-country Dynamic Panel Estimation"

Paper 2: Eiji Fujii (University of Tsukuba) and Jeannine Bailliu "Exchange Rate Pass-Through and the Inflation Environment in Industrialized Countries: An Empirical Investigation"

Paper 3: Yushi Yoshida (Kyushu Sangyo University) and Yin-Wong Cheung (UC, Santa Cruz) "Exchange Rate Pass-Through: An Empirical Investigation"

Session E-4:

Room 4

Theory and its Applications

Chair: Tatsuyoshi Miyakoshi (Tohoku University)

Paper 1: Woody C. Chi (National Chung Hsing University) "Incomplete Contract and Overinvestment"

Paper 2: Tetsugen Haruyama (Kobe University) "R&D Policy In A Volatile Economy"

15:15-16:45: Parallel Sessions 6

Session F-1:

Room 1

Japanese Financial Markets and Related Issues II

Sponsored by the Institute of Statistical Research

Chair: Shin-ichi Fukuda (University of Tokyo)

Paper 1: Mark M. Spiegel (Federal Reserve Bank of San Francisco), John Krainer, and Nobuyoshi Yamori (Nagoya University) "Asset price persistence and real estate market illiquidity: Evidence from Japanese Land Values"

Paper 2: Kimie Harada (Chuo University) "Measuring the Efficiency of Banks: Successful Mergers in the Korean Banking Sector"

Paper 3: Shin-ichi Fukuda (University of Tokyo) and Satoshi Koibuchi (University of Tokyo) "The Impacts of "Shock Therapy" under a Banking Crisis: Experiences from Three Large Bank Failures in Japan"

Session F-2.

Room 2

Topics in East Asian Economy

(sponsored by Korea Institute for International Economic Policy)

Chair: Eiji Ogawa (Hitotsubashi University)

Paper 1: Chang Jae Lee (Korea Institute for International Economic Policy) "Prospects and Tasks for an East Asian Economic Community"

Discussant for Paper 1: Eiji Ogawa (Hitotsubashi University)

Paper 2: Junggun Oh (The Bank of Korea) "Exchange Rate Policies in a Small Open Emerging Economy: Lessons from the East Asian Currency Crisis"

Discussant for Paper 2: Yuri Sasaki (Meiji Gakuin University)

Paper 3: Kang-Shik Choi (Yonsei University) and Jin Hwa Jung (Korea Institute for Industrial Economics and Trade) "The Impact of Technological Shock on Returns to Education: A Comparison of the Self-Employed and Wage Earners"

Discussant for Paper 3: Ryuichi Tanaka (Osaka University)

Session F-3:

Room 3

International Economics II

Chair: Kar-yiu Wong (University of Washington)

Paper 1: Pei-Cheng Liao (National Taiwan University) "International R&D Rivalry with Spillovers and Optimal Tariffs"

Paper 2: Jin Kim (Korea Institute of Public finance) and Seungjin Shim (Kyungpook National University), "International Economic Systems for International Public Goods: Incentive Mechanisms under Uncertainty."

Session F-4:

Room 4

Financial Economics

Chair: Chung Mo Koo (Kangwon National University)

Paper 1: Yohanes Eko Riyanto (National University of Singapore) and Linda A. Toolsema, "Tunneling and Propping: A Justification of Pyramidal Ownership"

Paper 2: Len-kuo Hu (National Chengchi University) and Yu-Shiu Lin (National Kaohsiung University of Applied Sciences), "Information Sequencing, Financial Intermediation and Consolidation"

Paper 3: Hiro Ito (Portland State University) and Menzie D. Chinn "What Matters for Financial Development? Capital Controls, Institutions, and Interactions"

Session F-5:

Room 5

Interactions Between Trade, FDI and Financial Flows in Asia

Sponsored by Freeman Foundation in Political Economy and Claremont Colleges

Chair: Ramkishan Rajan (National University of Singapore)

Paper 1: Kwanho Shin (Korea University) "Trade Integration and Financial Integration in East Asia: Effects on Output and Price Co-movements"

Discussant 1: Tony Cavoli (University of Adelaide)

Paper 2: Sven Arndt (Claremont McKenna College) "Cross-Border Production Sharing and Exchange Rates in East Asia"

Discussant 2: Junggun Oh (Bank of Korea)

Paper 3: Jung Sik Kim (Yonsei University) "Exchange Rate Instability and FDI Flows in East Asia"

Discussant 3: Reza Siregar (University of Adelaide)

17:00-18:00: Plenary Session

Room 5

Kiminori Matsuyama (Northwestern University)

"Strategic Complementarities: Some Macroeconomic Perspectives."

Chair: Shin-ichi Fukuda (University of Tokyo)