



*Asia-Pacific Economic Association,  
Korea Institute for Industrial Economics and Trade, and  
Research Center for International Economics, University of Washington*  
jointly organizing the

### *3rd Twin Conferences*

# Seoul 2014

*Seoul, Korea, September 18-19, 2014*

- Executive Committee** **Kar-yiu Wong**, University of Washington, US (co-chair)  
**DoHoon Kim**, Korea Institute for Industrial Economics & Trade, KR (co-chair)  
**Joshua Aizenman**, University of Southern California, US  
**Shin-ichi Fukuda**, University of Tokyo, JP  
**Chung Mo Koo**, Kangwon National University, KR
- Host** Korea Institute for Industrial Economics & Trade
- Supporting Unit** Department of Economics, Kangwon National University, KR
- Supporting Journals** *China Economic Policy Review* and *Global Journal of Economics*
- Program Committee:** **Shin-ichi Fukuda**, University of Tokyo, JP (co-chair)  
**Jinkeun Yu**, Korea Institute for Industrial Economics & Trade (co-chair)  
**Hyun-Hoon Lee**, Kangwon National University, KR  
**Jong Min Lee**, Kangwon National University, KR  
**Eiji Ogawa**, Hitotsubashi University, JP  
**Tom Willet**, Claremont Graduate University, US
- Local Organizing Committee** **Chung Mo Koo**, Kangwon National University, KR (co-chair)  
**Dongsoo Kim**, Korea Institute for Industrial Economics & Trade, KR (co-chair)  
**Hyeon-seung Huh**, Yonsei University, KR  
**Hyung-Gun Kim**, Kangwon National University, KR  
**Won Joong Kim**, Konkuk University, KR  
**Won Soon Kwon**, Hankuk University of Foreign Studies, KR  
**Jae-Young Lim**, Korea University, KR

## Overview of the Conferences

**Thursday, September 18, 2014**

**“China and the World Economy” Conference**

*Venue: Korea Institute for Industrial Economics and Trade (KIET), Seoul, Korea*

- 8:30 – 9:00 am     **Registration**
- 9:00 – 9:20 am     **Welcome Ceremony**
- 9:20 – 10:50 am   **Session C1: China - Growth and Income**
- 10:50 – 11:05 am **Coffee Break**
- 11:05 – 12:35 pm **Session C2: China - Trade and Foreign Direct Investment**
- 12:35 – 2:00 pm    **Lunch**
- 2:00 – 3:30 pm     **Session C3: China - Exchange Rates and Monetary Policy**
- 3:30 – 3:45 pm     **Coffee Break**
- 3:45 – 5:15 pm     **Session C4: China - Labor Market and Industrial Structure**
- 6:30 – 8:30 pm     **Dinner**

**Friday, September 19, 2014**

**“Global Economy” Conference**

*Venue: Korea Institute for Industrial Economics and Trade (KIET), Seoul, Korea*

- 8:30 – 9:00 am     **Registration**
- 9:00 – 10:30 pm   **Session G4: Economic Crisis and Economic Growth**
- 10:30 – 10:45 am **Coffee Break**
- 10:45 – 12:15 pm **Session G2: Competitiveness and Productivity**
- 12:15 – 2:00 pm    **Lunch**
- 2:00 – 3:30 pm     **Session G3: Monetary Issues and Monetary Policy**
- 3:30 – 3:45 pm     **Coffee Break**
- 3:45 – 5:15 pm     **Session G4: Financial Issues and Banking Sector**
- 5:15 – 5:30 pm     **Closing Session**

# Program

**Thursday, September 18, 2014**

**Venue: Korea Institute for Industrial Economics and Trade (KIET), Seoul, Korea**

8:30 – 9:00 am **Registration**

9:00 – 9:20 am **Welcome Ceremony**

*Moderator: Chung Mo Koo, Kangwon National University, KR*

**Remarks by the Organizers**

**Kar-yiu Wong**, President, Asia-Pacific Economic Association, and  
Director, RCIE, University of Washington, US

**DoHoon Kim**, President, Korea Institute for Industrial Economics and Trade, KR

9:20 – 10:50 am **Session C1: China - Growth and Income**

*Chair: Shin-ichi Fukuda, The University of Tokyo, JP*

**KEUN LEE**, Seoul National University, KR and **Furong Jin**, Korea Institute for International Economic Policy, KR, “Dynamics of Growth-Inequality Nexus in China: Roles of Surplus Labor, Openness, Education, and Technical Change”

*Discussant: Kwanho Shin, Korea University, KR*

**OCTASIANO M. VALERIO MENDOZA**, Nagoya University, JP, “Income Inequality in China’s Economic and Technological Development Zones and High-Tech Industrial Development Zones, 1995-2002”

*Discussant: Ching-Yi Lin, National Tsing Hua University, TW*

**KWANHO SHIN**, Korea University, KR, **Barry Eichengreen**, University of California at Berkeley, US, and **Donghyun Park**, Asian Development Bank, PH, “Growth Slowdowns Redux”

*Discussant: Tran Van Hoa, Victoria University, AU*

10:50 – 11:05 am **Coffee Break**

11:05 – 12:35 pm **Session C2: China - Trade and Foreign Direct Investment**

*Chair: Jinkeun Yu, Korea Institute for Industrial Economics & Trade, KR*

**TRAN VAN HOA**, Victoria University, AU, “Trade, Growth and CO2 Emissions in China: Evidence from an Economic Integration Model”

*Discussant: Hyung-Gun Kim, Kangwon National University, KR*

**CHING-YI LIN**, National Tsing Hua University, TW, **Ling Feng**, Shanghai University of Finance and Economics, CN, and **Chun Wang**, Brooklyn College, City University of New York, US, “Do Capital Flows Matter to Stock and Housing Returns? Evidence from China”

*Discussant: Mina Kim, Bureau of Labor Statistics, US*

**ZSUZSÁNNÁ BIEDERMANN** and **Ágnes Szunomár**, Hungarian Academy of Sciences, HU,  
 “Chinese OFDI in Europe and the Central and Eastern European region within a global  
 context”

*Discussant:* **Octasiano M. Valerio Mendoza**, Nagoya University, JP

12:35 – 2:00 pm **Lunch**

2:00 – 3:30 pm **Session C3: China - Exchange Rates and Monetary Policy**

*Chair:* **Kar-yiu Wong**, University of Washington, US

**Naoyuki Yoshino**, Asian Development Bank Institute, **TAMON ASONUMA**, International  
 Monetary Fund, and **Sahoko Kaji**, Keio University “Dynamic Adjustment to the Basket-peg  
 or Floating in East Asian Countries after China’s Transition in Exchange Rate Regime”

*Discussant:* **Junko Doi**, Kansai University, JP

**MINA KIM**, Bureau of Labor Statistics, US, **Deokwoo Nam**, Hanyang University, KR, **Jian  
 Wang**, Federal Reserve Bank of Dallas, US, and **Jason Wu**, Federal Reserve Board, US,  
 “International Trade Price Stickiness and Exchange Rate Pass-through in Micro Data: A  
 Case Study on US-China Trade”

*Discussant:* **Won Joong Kim**, Konkuk University, KR

**NAOYUKI YOSHINO**, Asian Development Bank Institute, JP, **Nour Tawk**, Keio University,  
 JP, and **Farhad Taghizadeh-Hesary**, The Institute of Energy Economics, JP, “Estimating  
 Fair Deposit Insurance Premium rates for Each Group of Banks Based on their Soundness  
 and Asset Sizes: An Empirical Work on Japanese Banking System”

*Discussant:* **Shin-ichi Fukuda**, The University of Tokyo, JP

3:30 – 3:45 pm **Coffee Break**

3:45 – 5:15 pm **Session C4: China - Labor Market and Industrial Structure**

*Chair:* **Won Soon Kwon**, Hankuk University of Foreign Studies, KR

**JUNKO DOI**, Kansai University, JP, **Zhiwei Cen**, Kyoto Sangyo University, JP, and  
**Yoshimasa Aoki**, Ritsumeikan University, JP, “Measurement of ‘Gray Income’: A Case of  
 China”

*Discussant:* **Zsuzsánna Biedermann**, Hungarian Academy of Sciences, HU

**CHUEL CHO**, Korea Institute for Industrial Economics and Trade, KR, “Industrial Cooperation  
 between Korea, China and Japan Based on Value”

*Discussant:* **Naoyuki Yoshino**, Asian Development Bank Institute, JP

6:30 – 8:30 pm **Dinner**

## Friday, September 19, 2014

*Venue: Korea Institute for Industrial Economics and Trade (KIET), Seoul, Korea*

8:30 – 9:00 am     **Registration**

9:00 – 10:30 am   **Session G1: Economic Crisis and Economic Growth**

*Chair: Wonkyu Kim*, Korea Institute for Industrial Economics and Trade, KR

**SHIN-ICHI FUKUDA**, The University of Tokyo, JP, “Regional Liquidity Risk and Covered Interest Parity during the Global Financial Crisis: Evidence from Tokyo, London, and New York”

*Discussant: Peter Tillmann*, Justus-Liebig-University Gießen, DE

**KUO-CHUN YEH**, National Chung Cheng University, TW and **Ya-chi Lin**, Taiwan Research Institute, TW, “Measuring the End of the Eurozone Crisis: A Test for Financial Integration”

*Discussant: Eiji Ogawa*, Hitotsubashi University, JP

**TETSUGEN HARUYAMA**, Kobe University, JP, “Economic Growth, Patent Race, and the Distribution of R&D Firms”

*Discussant: Jaegon Park*, Korea Institute for Industrial Economics and Trade, KR

10:30 – 10:45 am   **Coffee Break**

10:45 – 12:15 pm   **Session G2: Monetary Issues and Monetary Policy**

*Chair: Dongsoo Kim*, Korea Institute for Industrial Economics & Trade, KR

**EIJI OGAWA** and **Zhiqian Wang**, Hitotsubashi University, JP, “Effects of Exit Strategy of the Quantitative Easy Monetary Policy on East Asian Currencies”

*Discussant: Tetsugen Haruyama*, Kobe University, JP

**PETER TILLMANN**, Justus-Liebig-University Gießen, DE, “Unconventional Monetary Policy Shocks and the Spillovers to Emerging Markets”

*Discussant: Kuo-chun Yeh*, National Chung Cheng University, TW

**TACK YUN**, Seoul National University, KR, “Inflation and Exchange-Rate Crises: Endogenous Default of Monetary Policy”

*Discussant:*

12:15 – 2:00 pm   **Lunch**

2:00 – 3:30 pm     **Session G3: Competitiveness and Productivity**

*Chair: Chung Mo Koo*, Kangwon National University, KR

**MARIKO TANAKA**, Musashino University, JP, “Human capital accumulation through recurrent education”

*Discussant: Tack Yun*, Seoul National University, KR

**LIU YUNHUA**, Renmin University of China, CN and **Sarah Chan**, Nanyang Technological University, SG, “Manufacturing Competitiveness in East Asian Countries: Challenges and Prospects”

*Discussant: Hyun-Hoon Lee*, Kangwon National University, KR

**Winston W. Chang**, SUNY at Buffalo, US, and **HAN EOL RYU**, Korea Institute for Industrial Economics and Trade, KR, “Vertically-Related Markets, Foreign Competition, and Optimal Privatization Policy”

*Discussant: Mariko Tanaka*, Musashino University, JP

3:30 – 3:45 pm **Coffee Break**

3:45 – 5:15 pm **Session G4: Financial Issues and Banking Sector**

*Chair: Jung-Sik Kim*, Yonsei University, KR

**HYUN-HOON LEE**, Kangwon National University, KR, **John Ries**, University of British Columbia, CA, and **Badassa Wolteji Chala**, Kangwon National University, KR, “Financial Risk and Cross-border M&A”

*Discussant: Han Eol Ryu*, Korea Institute of Industrial Economics and Trade, KR

**FARHAD TAGHIZADEH-HESARY**, The Institute of Energy Economics, JP and **Naoyuki Yoshino**, Asian Development Bank Institute, JP, “A New Approach on SME Credit Rating using Principle Component Analysis and Cluster Analysis: An Empirical Work on an Asian Bank Data”

*Discussant: Hyeon-seung Huh*, Yonsei University, KR

**HYEON-SEUNG HUH**, Yonsei University, KR, **Lance A. Fisher**, Macquarie University, AU, and **Adrian R. Pagan**, University of Melbourne, AU, “Econometric Methods for Modelling Systems with a Mixture of I(1) and I(0) Variables”

*Discussant: Farhad Taghizadeh-Hesary*, The Institute of Energy Economics, JP

5:15 – 5:30 pm **Closing Session**

**Kar-yiu Wong**, President, Asia-Pacific Economic Association, and Director, RCIE, University of Washington, US