

APEA 2009 Sponsors

*Santa Cruz Center for International Economics (SCCIE),
Department of Economics, University of California, Santa Cruz, USA*

Federal Reserve Bank of San Francisco, USA

Bank of Korea, Korea

*Center for International Research on the Japanese Economy
(CIRJE), Japan*

Korea Institute of Public Finance (KIPF), Korea

APEA 2009 Organizers

Executive Committee:

Kar-yiu Wong, University of Washington, US (co-chair)

Joshua Aizenman, University of California, Santa Cruz, US (co-chair)

Shin-ichi Fukuda, University of Tokyo, Japan

Chung Mo Koo, Kangwon National University, Korea

Selection Committee:

Joshua Aizenman, University of California, Santa Cruz, US (co-chair)

Chung Mo Koo, Kangwon National University, Korea (co-chair)

Program Committee:

Joshua Aizenman, University of California, Santa Cruz, US (co-chair)

Shin-ichi Fukuda, University of Tokyo, Japan (co-chair)

Michael Hutchison, University of California, Santa Cruz, US

Chung-Ming Kuan, Academia Sinica, Taiwan

Jie Li, Central University of Finance and Economics, China

Shin-Kun Peng, Academia Sinica, Taiwan

Mark Spiegel, Federal Reserve Bank of San Francisco, US

Won Ik Son, Korea Institute of Public Finance, Korea

Tom Willett, Claremont Graduate University, US

Yun Hi Won, Korea Institute of Public Finance, Korea

Jack Zhang, University of Hong Kong, Hong Kong, China

Local Organizers:

Joshua Aizenman, University of California, Santa Cruz, US (chair)

Michael Hutchison, University of California, Santa Cruz, US

Yin-Wong Cheung, University of California, Santa Cruz, US

Michele David, SCCIE Manager, University of California, Santa Cruz, US

International Conference Asia-Pacific Economic Association

“APEA 2009”

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



Conference Program

Day 1: Saturday, June 27, 2009

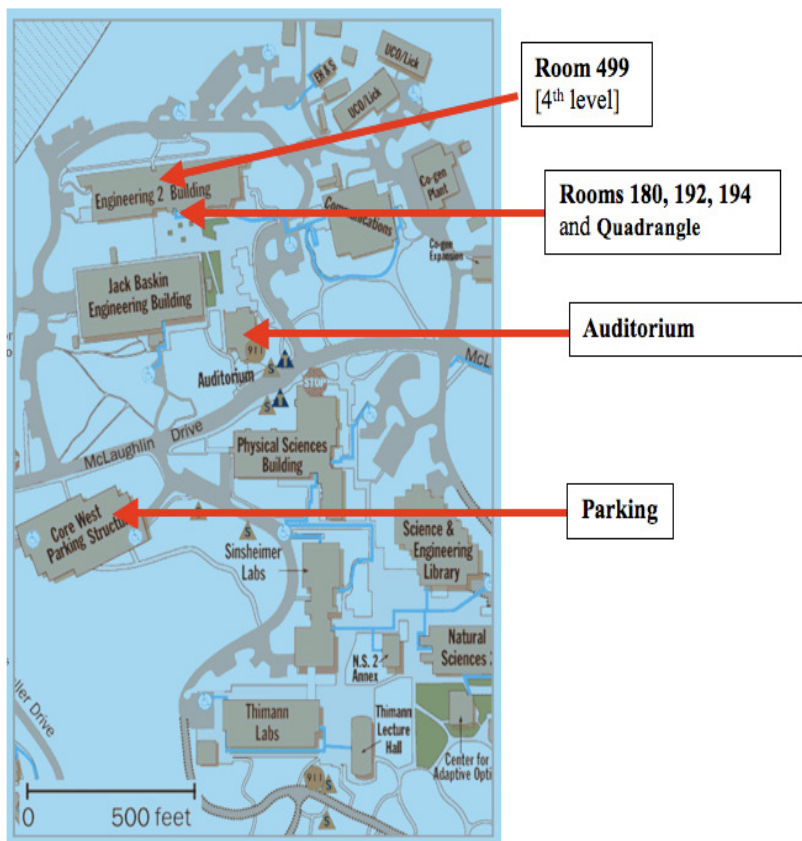
8:30 – 9:30 am	Local Registration and Breakfast (E2 Quadrangle)
9:30 – 10:00 am	Welcoming Remarks (Baskin Auditorium)
10:00 – 12:00 pm	Sessions 1 – 5
12:00 – 2:00 pm	Lunch (E2 Quadrangle)
2:00 – 2:45 pm	Keynote Speech I (Baskin Auditorium)
2:45 – 3:15 pm	Coffee Break (E2 Quadrangle)
3:15 – 5:15 pm	Sessions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

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)
3:00 – 7:00 pm	*Optional Santa Cruz Redwoods & Wine-Tour

For more information about this and previous conferences, please visit

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



19. **Public Policy:** Room 194
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)

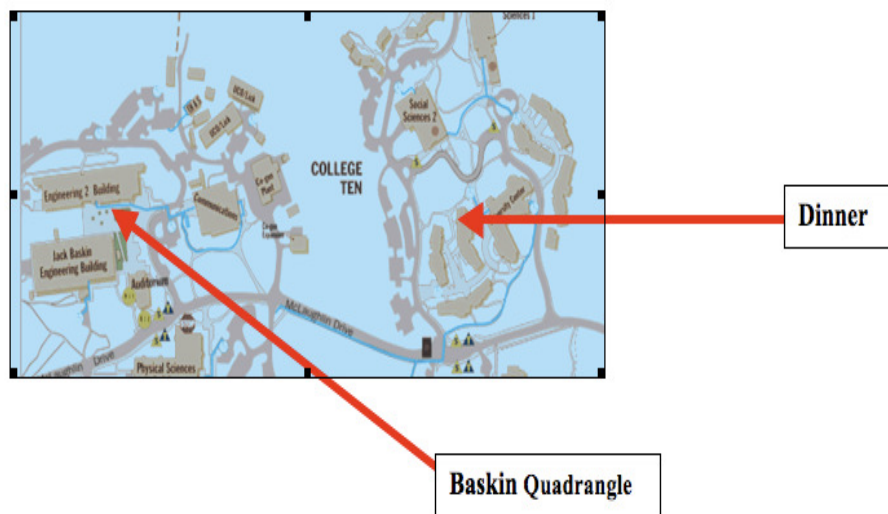
20. **Economic Integration:** Room 499
Chair: **Tadashi Inoue** (Hiroshima Shudo University)
Nobuaki Yamashita (La Trobe University) “Determinants of Fragmentation Trade: A Comparative Analysis of Japan and US”
Evelyn S. Devadason (University of Malaya), “Reorganization of Intra-ASEAN Trade Flows: The 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?”
Yenhuang Chen (Chinese Culture University) and **Jie Hu** (Xi’an Jiaotong University), “Todaro Paradox, Nonhomotheticity and Monopolistic Competition”

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: 3:00 - 7:00pm.



Saturday, June 27, 2009 cont.

4. **Domestic and International Financial Markets in Japan:** *Room 194*
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:** *Room 499*
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:** *Baskin Auditorium*
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”

13. **Capital Flows, Crises and International Reserves:** *Room 192*

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:** *Room 194*

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:** *Room 499*

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”

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

Saturday, June 27, 2009

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

9:30-10:00am Welcoming Remarks, Dean: Sheldon Kamieniecki, (*Baskin Auditorium*)

10:00 – 12:00 pm **Sessions 1 – 5**

Sunday, June 28, 2009 cont.

11:15 – 1:15 pm **Sessions 16 – 20**

16. **Macro Economic Growth:** *Baskin Auditorium*

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”

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

17. **Information and Technology Transfer in Trade:** *Room 180*

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)

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

Discussant: Katheryn Russ (UC Davis)

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

18. **Macro and Labor Issues:** *Room 192*

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 Elzbieta 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**]

Yenhuang Chen (Chinese Culture University) and **Jie Hu** (Xi’an Jiaotong University), “Todaro Paradox, Nonhomotheticity and Monopolistic Competition”

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

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)

Byoung 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. **The Political Economy of International Commerce:** *Room 180*

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 (Stanford University), “Vertical Integration and Trade Protection: The Case of Antidumping Duties”

Discussant: Maxim Belenkiy (UCSC)

3. **Asian Monetary and Financial Issues, I:** *Room 192*

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), “Monetary mercantilism and economic growth in East Asia”

Discussant: Thomas Willett (Claremont Colleges)

10. **International Finance: Room 499**
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”

- 5:30 – 8:00 pm **Reception, Dinner and Keynote Speech II**
Chair: Ken Kletzer

Keynote II: Kyungsoo Kim, Deputy Governor
(MPR - College 9/10 Multi-Purpose Room)

Sunday, June 28, 2009

9:00-10:00 am Breakfast (*E2 Quadrangle*)

9:00 – 11:00 am **Sessions 11 – 15**

11. **Development Issues: Baskin Auditorium**
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”

7. **Trade, Investment, and Firm Heterogeneity: Room 180**
Chair: Alan Spearot (UCSC)

Stephen Yeaple (Penn State), “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)

Jennifer Poole (UCSC), “Trade Liberalization and Wages: Evidence from Matched Employer-Employee Data (with **Pravin Krishna** and **Mine Senses**)

Discussant: Xuepeng Liu, (Kennesaw State University)

8. **Asian Monetary and Financial Issues, II: Room 192**
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: Room 194**
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 (UC Berkeley), “Bearing the Cost of Population Aging: Familial vs. Public Old-Age Support”

Guo Jang-Ting (UC Riverside), “Progressive Taxation and Macroeconomic (In)stability”

***First Floor Classrooms**

**** 4th Floor of E2 Building**

DAY I, June 27 Saturday	TIME	E2 Quadrangle	Baskin Auditorium	Room 180*	Room 192*	Room 194*	Room 499**	MPR College 9/10 Multi-Purpose Room
	8:30-9:30am	Local Registration & Breakfast						
	9:30-10:00am		Welcome Remarks					
	10:00am-12:00pm		Session 1	Session 2	Session 3	Session 4	Session 5	
	12:00-2:00pm	Lunch						
	2:00-2:45pm		Keynote Speech I					
	2:45-3:15pm	Coffee Break						
	3:15-5:15pm		Session 6	Session 7	Session 8	Session 9	Session 10	
	5:15-8:00pm							Reception, Dinner, Keynote Speech II
DAY II, June 28 Sunday	8:00-9:00am	Breakfast						
	9:00-11:00am		Session 11	Session 12	Session 13	Session 14	Session 15	
	11:00-11:15am	Coffee Break						
	11:15am-1:15pm		Session 16	Session 17	Session 18	Session 19	Session 20	
	1:15-2:15pm	Lunch						
	2:15-3:00pm		Keynote Speech III					
	3:00pm		Closing Remarks					

Optional: Sunday Afternoon 3:00-7:00pm Santa Cruz Westside & Mountain Wine-Tour and Walk through Henry Cowell Redwoods State Park