

*A Joint Conference of*  
*AKES, KIPF, CSBRR, and RCIE*

**Korea and the World  
Economy, VI: Towards Asian  
Economic Community**

*July 2 –3, 2007*

*Communications Building (Building 20), University of Wollongong,  
Australia*

**Organizers**      **Manwoo Lee**, President, Association of the Korean Economic Studies  
**Seong Hyeon Whang**, President, Korea Institute of Public Finance  
**Charles Harvie**, Director, University of Wollongong Center for Small  
Business and Regional Research (CSBRR)  
**Kar-yiu Wong**, Director, University of Washington Research Center  
for International Economics

**Organizing Units**      Association of the Korean Economic Studies (AKES)  
Korea Institute of Public Finance (KIPF)  
University of Wollongong Center for Small Business and Regional  
Research (CSBRR)  
University of Washington Research Center for International  
Economics (RCIE)

**Supporting Units**      Bank of Korea  
Honam Petrochemical Corporation  
Hyundai Merchant Marine  
Korea Development Bank  
Korea Development Institute (KDI)  
Korea Economic Research Institute  
Korea Institute of Public Finance  
Korea Investment and Finance  
Korea Power Exchange  
Pohang Coated Steel  
Samsung Electronics  
Samsung Securities  
Shin Young Film Production  
SK Telecom  
POSCO Research Institute

**Program Committee**

**Hyun-Hoon Lee**, Kangwon National University (Co-chair)  
**Kar-yiu Wong**, University of Washington (Co-chair)  
**Joshua Aizenman**, University of California, Santa Cruz  
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**Sung Tai Kim**, Cheongju University  
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**Junggun Oh**, Bank of Korea  
**Yunjong Wang**, SK Telecom Research Institute  
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**Elias Sanidas**, University of Wollongong  
**Ali Salmon Saleh**, University of Wollongong

### For Inquiries

*For more information, please visit*

*<http://www.akes.or.kr/eng/conferences.html>*

Hyun-Hoon Lee (Co-chair, Program Committee), Division of Economics and International Trade, Kangwon National University, Chuncheon 200-701, Korea.  
hhlee@kangwon.ac.kr +82-11-371-6186 (Tel)

Charles Harvie (Co-chair, Local Organizing Committee), School of Economics University of Wollongong, Wollongong, NSW 2522, Australia  
[charvie@uow.edu.au](mailto:charvie@uow.edu.au) +61-2-4221-3702 (Tel), +61-24221-3725 (Fax)

Sung Jin Kang (Co-chair, Local Organizing Committee), Department of Economics, Korea University, Anam-dong, Sungbuk-Gu, Seoul 136-701, Korea  
sjkang@korea.ac.kr +82-11-291-5162 (Tel)

# Overview of the Conference

*Otherwise mentioned, all sessions and ceremonies  
will be held in the Communications Building (Building 20), University of Wollongong.*

## Sunday, July 1, 2007

18.00-20.00 **Conference Cocktail Reception, Novotel Northbeach Hotel**

## Monday, July 2, 2007

08:30-08:40 **Registration**  
08:40-08:55 **Opening Session**  
09:00-10:15 **Session 1: Lecture Room 2**  
**Session 2: Lecture Room 4**  
10:15-10:30 **Coffee Break – Communications Building Foyer**  
10:30-11:45 **Session 3: Lecture Room 2**  
**Session 4: Lecture Room 4**  
11:45-13:30 **Lunch**  
13:30-14:45 **Session 5: Lecture Room 2**  
**Session 6: Lecture Room 4**  
14:45-15:00 **Coffee Break – Communications Building Foyer**  
15:00-16:15 **Session 7: Lecture Room 2**  
**Session 8: Lecture Room 4**  
16:15-16:30 **Coffee Break – Communications Building Foyer**  
16:30-17:45 **Session 9: Lecture Room 2**  
**Session 10: Lecture Room 4**  
18:30-22:30 **Dinner, Novotel Northbeach Hotel**

## Tuesday, July 3, 2007

09:00-10:15 **Session 11: Lecture Room 2**  
**Session 12: Lecture Room 4**  
10:15-10:30 **Coffee Break – Communications Building Foyer**  
10:30-11:45 **Session 13: Lecture Room 2**  
**Session 14: Lecture Room 4**  
12:00-13:00 **Closing Lunch**

# Program

Monday, July 2, 20067

08:30-08:40 **Registration**

08:40-08:55 **Opening Session**

**Remarks by Hosts**

**Manwoo Lee** (President, Association of the Korean Economic Studies)

**Charles Harvie** (Director, University of Wollongong Center for Small Business and Regional Research)

**Seong Hyeon Whang** (President, Korea Institute of Public Finance)

**Welcome Speech**

Professor **Robert Castle** (Deputy Vice Chancellor – Academic and International (University of Wollongong, Australia))

09:00-10:15 **Session 1: Special Issues I**

*Moderator: Ali Salman Saleh (University of Wollongong)*

*Official Development Assistance and Development in Asia: Causal Empirics and Political Economy*

**Tran Van Hoa** (Victoria University, Australia)

*Discussant: Fukunari Kimura* (Keio University, Japan)

*Explanation to Paradox of Sino-Korea Trade Deficit – Perspective of Culture: Korean Wave*

**Ni Xiaoning** (Beijing International Studies University, China)

**Jiang Yuan** (Renmin University, China)

*Discussant: Krittakorn Sahakijpicharn* (University of Wollongong)

*Does Residential Investment Lead Output?*

**Jaihyun Nahm** (Kookmin University, Korea)

*Discussant: Seok-Joon Hwang* (Keimyung University, Korea)

**Session 2: Economic Growth I**

*Moderator: Kiheung Kim* (Kyonggi University, Korea)

*Measuring the Impact of Human Capital on the Economic Growth of South Korea*

**Sebastian Acevedo** (Eafit University, Colombia)

*Discussant: Ftiti Zied* (GATE, France)

*[The Effect of Demographic transition on Economic Growth in Korea](#)*

**So-hui Kwak** (Pusan National University, Korea)

**Ho-beom Kim** (Pusan National University, Korea)

*Discussant:* **Sangho Kim** (Honam University, Korea)

10:15-10:30 **Coffee Break**

10:30-12:45 **Session 3: International Finance**

*Moderator:* **Ed Wilson** (University of Wollongong)

*[The Structural Exchange Rate Pass-through on Disaggregated Korean Export Prices](#)*

**Won Joong Kim** (POSCO Research Institute (POSRI), Korea)

*Discussant:* **David Deok-Ki Kim** (University of Sydney, Australia)

*[Monetary policy in the framework of inflation targeting and his relationship to exchange rate: Evidence for developed and emergent countries](#)*

**Ftiti Zied** (GATE, France)

*Discussant:* **Joon-Mo Yang** (Yonsei University, Korea)

*[Financial versus Monetary Mercantilism Long-run View of Large International Reserves](#)*

**Joshua Aizenman** (University of California, Santa Cruz)

**Jaewoo Lee** (International Monetary Fund)

*Discussant:* **Ed Wilson** (University of Wollongong)

**Session 4: Foreign Direct Investment**

*Moderator:* **Fukunari Kimura** (Keio University, Japan)

*[Labour Productivity, Capital Deepening and TFP Intensity Role in ASEAN5 plus 3](#)*

**Elsadig Mussa Ahmed** (Multimedia University, Malaysia)

*Discussant:* **Sung Jin Kang** (Korea University, Korea)

*[Strategic Divisionalization and International Competition](#)*

**Toru Kikuchi** (Kobe University, Japan)

**Kazumichi Iwasa** (Kobe University, Japan)

*Discussant:* **Sangho Kim** (Honam University, Korea)

*[Agglomeration Economies and Location Choice of Korean Manufacturers within the United States](#)*

**Ki-Dong Lee** (Keimyung University, Korea)

**Seok-Joon Hwang** (Keimyung University, Korea)

**Min-hwan Lee** (Yeongnam University, Korea)

*Discussant:* **Dae-Shik Lee** (Pusan National University, Korea)

11:45-13:30 **Lunch**

13:30-14:45 **Session 5: Economic Growth**

*Moderator:* **Khorshed Chowdhury** (University of Wollongong)

*Demographic Transition and its Impact on Economic Growth*

**Hyeon-seung Huh** (Yonsei University, Korea)

**Hyun-Hoon Lee** (Kangwon National University, Korea)

**Young-Youn Lee** (Kangwon National University, Korea)

*Discussant:* **Jong Won Lee** (Sungkyunkwan University, Korea)

*Land Price, Urbanization and Economic Growth*

**Seok-Dong Wang** (Hankook University of Foreign Studies, Korea)

*Discussant:* **Chan-Hyun Sohn** (Kangwon National University, Korea)

**Session 6: Finance**

*Moderator:* **Sung Tai Kim** (Chongju University, Korea)

*Index Futures Trading and Asymmetric Volatility: Evidence for Asian Stock Markets*

**Sang-Hoon Kang** (University of South Australia, Australia)

**Seong-Min Yoon** (Pukyong National University, Australia)

*Discussant:* **Chen-Min Hsu** (National Taiwan University, Taiwan)

*Structural Breaks and Testing for the Random Walk Hypothesis in International Stock Prices*

**Surachai Chancharat** (University of Wollongong, Australia)

**Abbas Valadkhani** (University of Wollongong, Australia)

*Discussant:* **Yeonho Lee** (Chungbuk University, Korea)

*The Dynamic Determinants of the Credit Spread: Evidence from the Korean Bond Market Data*

**Inwon Jang** (Merrimack College, USA)

**David Deok-Ki Kim** (University of Sydney, Australia)

*Discussant:* **Yeonho Lee** (Chungbuk University, Korea)

14:45-15:00 **Coffee Break**

15:00-16:15 **Session 7 (organized by Korea Institute of Public Finance):**

*Moderator:* **Byung Mok Jeon** (Korea Institute of Public Finance, Korea)

*Taxation in 2015; What can be Expected and Why?*

**Neil Warren** (Australian School of Taxation, UNSW, Australia)

*Discussant:* **Myung-Ho Park** (Korea Institute of Public Finance, Korea)

*The Elasticity of Taxable Income: Personal Income Tax*

**Byung Mok Jeon** (Korea Institute of Public Finance, Korea)

*Discussant:* **Binh Tran-Nam** (Australian School of Taxation, Australia)

*Inheritance and Gift Taxes in Korea*

**Jin Kim** (Korea Institute of Public Finance, Korea)

*Discussant:* **Neil Warren** (Australian School of Taxation, Australia)

*The Effects of Uncertainty on the Optimal Consumption and Portfolio Rules:  
An Analytical Approach*

**Myung-Ho Park** (Korea Institute of Public Finance, Korea)

*Discussant:* **Sang-Wook Stanley Cho** (University of New South Wales, Australia)

**Session 8: Regionalism**

*Moderator:* **Hyun-Hoon Lee** (Kangwon National University, Korea)

*Geopolitical Implications of the U.S.-Korea Free Trade Agreement  
(FTA); Some lessons for Australia-Korea FTA*

**Se Young Ahn** (Sogang University, Korea)

*Discussant:* **Charles Harvie** (University of Wollongong)

*FTA on Economic Growth*

**Chan-Hyun Sohn** (Kangwon National University, Korea)

*Discussant:* **Tran Van Hoa** (Victoria University, Australia)

*Revealed comparative advantage and economic development with emphasis  
on East Asia*

**Elias Sanidas** (University of Wollongong, Australia)

*Discussant:* **Se Young Ahn** (Sogang University, Korea)

16:15-16:30 **Coffee Break**

16:30-17:45 **Session 9: 1997 East Asian Financial Crisis**

*Moderator:* **Jong Won Lee** (Sungkyunkwan University, Korea)

*Capital Liberalization and Exchange Rate Stability: Evidence from South  
Korea and Other Emerging Countries*

**Seyed Komail Tayebi** (University of Isfahan, Iran)

**Abbas Mohammadzadeh** (University of Isfahan, Iran)

*Discussant:* **Won Joong Kim** (POSCO Research Institute (POSRI), Korea)

*Korea's Fading Economic Miracle 1990-97*

**Charles Harvie** (University of Wollongong, Australia)

**Mosayeb Pahlavani** (University of Sistan & Baluchestan, Iran)

*Discussant:* **Joshua Aizenman** (University of California, Santa Cruz)

*Financial Problems in Early Stage of Economic Development: A Case Study of South Korea*

**Miho Tomisaki** (University of Tokyo, Japan)

*Discussant: Abbas Mohammadzadeh* (University of Isfahan, Iran)

**Session 10: Industry Analysis**

*Moderator: Abbas Valadkhani* (University of Wollongong)

*Indian IT and ICT Industry: A Performance Analysis Using Data Envelopment Analysis & Malmquist Index*

**Somesh Mathur** (Research and Information System (RIS), India)

*Discussant: Daehoon Nahm* (Macquarie University, Australia)

*International Competitiveness of ICT Service Industries in the OECD Countries*

**Sung Jin Kang** (Korea University, Korea)

**Hwan Joo Seo** (Hanyang University, Korea)

*Discussant: Abbas Valadkhani* (University of Wollongong)

*Agglomeration Economies in Korean Manufacturing Industry*

**Yung Joon Lee** (Pusan National University, Korea)

**Dae-Shik Lee** (Pusan National University, Korea)

**Seung-Hun Bae** (Pusan National University, Korea)

*Discussant: Ki-Dong Lee* (Keimyung University, Korea)

18:30-22:30 **Dinner**

***Dinner Speech***

Chang-Beom Cho (Korean Ambassador to Australia)



**Tuesday, July 3, 2007**

09:00-10:15 **Session 11: Asian Economies**

*Moderator:* **Insill Yi** (Sogang University, Korea)

*Globalization and Development: Issues, Prospects, and Challenges for Developing Countries with Special Reference to Pakistan*

**Himayatullah Khan** (COMSATS Institute of Information Technology, Pakistan)

*Discussant:* **Seok-Dong Wang** (Hankook University of Foreign Studies, Korea)

[\*Budget Deficit Financing and the Macro-economy: A Case Study of Lebanon\*](#)

**Ali Salman Saleh** (University of Wollongong, Australia)

**Charles Harvie** (University of Wollongong, Australia)

*Discussant:* **Seyed Komail Tayebi** (University of Isfahan, Iran)

[\*Real Exchange Rate and Current Account Dynamics in a Finite-horizon Model with Sectoral Adjustment Costs\*](#)

**Hung-Ju Chen** (National Taiwan University, Taiwan)

**Chen-Min Hsu** (National Taiwan University, Taiwan)

*Discussant:* **Elias Sanidas** (University of Wollongong, Australia)

**Session 12: Environment**

*Moderator:* **Simon Ville** (University of Wollongong)

[\*Impacts of Consumption Pattern Changes on Environmental Pollution in Korea\*](#)

**Jong Won Lee** (Sungkyunkwan University, Korea)

**Seong-Bin Park** (Bank of Korea)

*Discussant:* **Kiheung Kim** (Kyonggi University, Korea)

*The Impact of International Trade on Environmental Efficiency: A DEA Approach*

**Kwang-Uk Kim** (Pusan National University, Korea)

**Sang-Mok Kang** (Pusan National University, Korea)

*Discussant:* **Elsadig Mussa Ahmed** (Multimedia University, Malaysia)

*Utilizing World Practice DEA in evaluating the credit risk*

**Ju-Byung Lee** (Pusan National University, Korea)

**Sang-Mok Kang** (Pusan National University, Korea)

*Discussant:* **Sang Don Lee** (Korea Research Institute for Vocational Education & Training, Korea)

10:15-10:30 **Coffee Break**

10:30-11:45 **Session 13: Selected Issues on the Korean Economy**

*Moderator: Young-Youn Lee* (Kangwon National University, Korea)

[\*An Economic Analysis of the decline in the fertility rate\*](#)

**Sung-Joon Park** (Korea Economic Research Institute, Korea)

**Yujin Oh** (University of Seoul, Korea)

*Discussant: Young-Youn Lee* (Kangwon National University, Korea)

[\*Asset Distribution and Asset-poverty in Korea\*](#)

**Sang-Ho Nam** (Korea Institute for Health and Social Affairs, Korea)

*Discussant: Sung Tai Kim* (Chongju University, Korea)

[\*Simple calculation and its implication for Korean reunification\*](#)

**Mun Sung Min** (Bank of Korea)

**Joon-Mo Yang** (Yonsei University, Korea)

*Discussant: Chung-Sok Suh* (University of New South Wales, Australia)

**Session 14 : Special Issues II**

*Moderator: Ali Salman Saleh* (University of Wollongong)

[\*Additive Behavior in Cinema Demand: Evidence from Korea\*](#)

**Sangho Kim** (Honam University, Korea)

*Discussant: Insill Yi* (Sogang University, Korea)

[\*Cinema Demand and Screen Quota in Korea\*](#)

**Sangho Kim** (Honam University, Korea)

*Discussant: Daehoon Nahm* (Macquarie University, Australia)

[\*The Guanxi Chinese Network vs Organisation Network\*](#)

**Krittakorn Sahakijpicharn** (University of Wollongong, Australia)

*Discussant: Ni Xiaoning* (Beijing International Studies University, China)

12:00-13:00 **Closing Lunch**

***Farewell Remarks by Hosts***

**Manwoo Lee** (President, Association of the Korean Economic Studies)

**Charles Harvie** (Director, University of Wollongong Center for Small Business and Regional Research)

**Yong Sun Choe** (President, Korea Institute of Public Finance)

