

*A Joint Conference of AKES, HKBU, KDI, STEPI and RCIE*

# **Korea and the World Economy, VIII**

*Hong Kong Baptist University, Hong Kong*  
*July 9 – 10, 2009*

**Organizers:** **Eui-Soon Shin**, President, Association of the Korean Economic Studies  
**Kar-yiu Wong**, Head, Department of Economics, Hong Kong Baptist University and Director, University of Washington Research Center for International Economics  
**Oh-Seok Hyun**, President, Korea Development Institute  
**Suk Joon Kim**, President, Science and Technology Policy Institute

**Organizing Units:** Association of the Korean Economic Studies (AKES)  
Department of Economics, Hong Kong Baptist University (HKBU)  
Korea Development Institute (KDI)  
Science and Technology Policy Institute (STEPI)  
University of Washington Research Center for International Economics (RCIE)

**Supporting Units:** POSCO Research Institute (POSRI)  
Korea Research Foundation (KRF)

**Program Committee:** **Hyun-Hoon Lee**, APEC Policy Support Unit and Kangwon National University (co-chair)  
**Kar-yiu Wong**, Hong Kong Baptist University and University of Washington (co-chair)  
**Se Young Ahn**, Sogang University  
**Joshua Aizenman**, University of California, Santa Cruz  
**Hong-Tack Chun**, Korea Development Institute  
**Shin-ichi Fukuda**, University of Tokyo  
**Charles Harvie**, University of Wollongong  
**Sung Jin Kang**, Korea University  
**Sung Tai Kim**, Chongju University  
**Won Joong Kim**, Kangwon National University  
**Fukunari Kimura**, Keio University  
**Chung Mo Koo**, Kangwon National University  
**Pak-Hung Mo**, Hong Kong Baptist University  
**Elias Sanidas**, Seoul National University  
**In Sil Yi**, Sogang University

**Local** **Alan Wing Keung Wong**, Hong Kong Baptist University (co-chair)

**Organizing  
Committee:** **Jae-Young Lim**, Korea University (co-chair)  
**Yuk-Shing Cheng**, Hong Kong Baptist University  
**Hyeon-seung Huh**, Yonsei University  
**Yun Kwong Kwok**, Hong Kong Baptist University  
**Won Soon Kwon**, Hankuk University of Foreign Studies  
**Sung Ko Li**, Hong Kong Baptist University  
**Jin Woo Kim**, Yonsei University

### For Inquiries

*For more information, please visit <http://www.akes.or.kr/eng/conferences.html>*

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**Kar-yiu Wong**, Department of Economics, Hong Kong Baptist University and Department of Economics, University of Washington, Seattle, WA 98195-3330, U.S.A. <[karyiu@u.washington.edu](mailto:karyiu@u.washington.edu)> +852 3411 2177 (work) +852 5166 1820

# Overview of the Conference

## Wednesday, July 8, 2009

20:00-22:00 **Conference Reception: Hillview Lounge, Stanford Hillview Hotel at Tsim Sha Tsui**

## Thursday, July 9, 2009

*Venue: Lam Woo International Conference Center (NAB 109)  
Hong Kong Baptist University*

08:30-09:00 **Registration**  
09:00-10:30 **Session 1: Global financial crisis and the Korean economy I (WLB 201)**  
**Session 2: Trade liberalization and regionalism in East Asia I (WLB 202)**  
**Session 3: New multilateral round of the WTO and related trade issues (WLB 203)**  
10:30-10:45 **Coffee Break**  
10:45-12:00 **Session 4: Korean economy and foreign trade I (WLB 201)**  
**Session 5: Global financial crisis and the Korean economy II (WLB 202)**  
**Session 6: Inter-East Asian and inter-Korean economic relations and cooperation I (WLB 203)**  
12:00-13:30 **Lunch**  
13:30-14:00 **Group Photo**  
14:00-14:30 **Welcome and Best Paper Award Ceremonies (Room NAB109)**  
14:30-15:00 **Policy Agenda (Room NAB109)**  
15:00-15:30 **Keynote Speech (Room NAB109)**  
15:30-16:15 **Plenary Session I: Global Financial Crisis (Room NAB109)**  
16:15-16:30 **Coffee Break**  
16:30-17:50 **Session 7: Korean economy and foreign trade II (WLB 201)**  
**Session 8: FTAs and FDI, with special reference to Korea and its neighboring countries I (WLB 202)**  
**Session 9: Inter-East Asian and inter-Korean economic relations and cooperation II (WLB 203)**  
18:00-20:00 **Dinner**

## Friday, July 10, 2009

*Venue: Lam Woo International Conference Center (NAB 109)  
Hong Kong Baptist University*

09:00-10:00 **Session 10: Trade liberalization and regionalism in East Asia II**

**(WLB 201)**

**Session 11: Inter-East Asian and inter-Korean economic relations and cooperation III (WLB 202)**

**Session 12: Global financial crisis and the Korean economy III (WLB 203)**

10:00-10:15 **Coffee Break**

10:15-11:45 **Session 13: Korean economy and foreign trade III (WLB 201)**

**Session 14: FTAs and FDI, with special reference to Korea and its neighboring countries II (WLB 202)**

11:45-12:30 **Plenary Session II: Asia-Pacific Economic Cooperation (Room NAB109)**

12:30-12:45 **Closing Session (Room NAB109)**

12:45-14:00 **Lunch**

# Program

**Thursday, July 9, 2009**

*Venue: Lam Woo International Conference Center (Room NAB109)  
Hong Kong Baptist University*

08:30-09:00 **Registration**

09:00-10:30 **Session 1: Global financial crisis and the Korean economy I**

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

*[Impossible Trinity, Capital Flow Market and Financial Stability](#)*

**Mo Pak-Hung** (Hong Kong Baptist University)

*Discussant: Tadashi Inoue* (Hiroshima Shudo University)

*[Long memory in the volatility of China stock returns](#)*

Zhu Shiyou and **Min-Hwan Lee** (Pusan National University)

*Discussant: Young-Jae Kim* (Pusan National University, Korea)

*[A Study on US-Asia Stock Price Co-movement and Volatility Spillover Effects](#)*

**Young-Jae Kim** and Sung-A Kim (Pusan National University, Korea)

*Discussant: Min-Hwan Lee* (Pusan National University)

**Session 2: Trade liberalization and regionalism in East Asia I**

*Moderator: Charles Harvie* (University of Wollongong)

*[Pattern of Tourist Expenditure and Its Impact on Brunei's Economy](#)*

**Mohamed Sharif Bashir** and Hajah Nur Annisa Haji Sarbini (Sultan Sharif Ali Islamic University)

*Discussant: Jun Mo Yang* (Yonsei University)

*[Beating the Recession: Prospects for an Asian Single Market in Services](#)*

**Suparna Karmakar** (National University of Singapore)

*Discussant: Mohamed Sharif Bashir* (Sultan Sharif Ali Islamic University)

*[Factor Price Equalization and Economic Integration in China](#)*

**Yun-kwong Kwok** and Chunwei Lai (Hong Kong Baptist University)

*Discussant: Jin Woo Kim* (Yonsei University)

### **Session 3: New multilateral round of the WTO and related trade issues**

*Moderator:* **Alan Wing Keung Wong** (Hong Kong Baptist University)

[Prospectus and Challenges for Asian+3 Integration: Policy Implications for Thailand](#)

**Thanet Wattanakul** (Victoria University)

*Discussant:* **Pham Thi Hong Hanh** (University of Rouen)

[Trade Intensity Impact on Sustainable Productivity Growth in East Asian Economies](#)

**Elsadig Musa Ahmed** (Multimedia University)

*Discussant:* **Yang Li** (National University of Kaohsiung)

[Empirical Study on Technology Transfer Investment Performance of Private Equity Fund and Private Equity M&A Fund](#)

**Sung Tai Kim** (CNI Network) and **Kiheung Kim** (Kyonggi University)

*Discussant:* **Sung Tai Kim** (Cheongju University)

10:30-10:45 **Coffee Break**

10:45-12:00 **Session 4: Korean economy and foreign trade I**

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

[The Changing Economic Relations between China and Korea: Patterns, Trends and Policy Implications](#)

**Francoise Nicolas** (French Institute of International Relations)

*Discussant:* **Sung Ko Li** (Hong Kong Baptist University)

[Korean Winning Strategies for Foreign Direct Investments into China](#)

**Jong Sun Park** (Jeonju University)

*Discussant:* **Yeon Ho Lee** (Chungbuk National University)

[Are Korean exports slowing down? Theory, evidence, and implications](#)

**Elias Sanidas** (Seoul National University, Korea)

*Discussant:* **Francoise Nicolas** (French Institute of International Relations)

**Session 5: Global financial crisis and the Korean economy II**

*Moderator:* **Jun Mo Yang** (Yonsei University)

[Empirical Test of UK Covered Warrants Market Efficiency: A Stochastic Dominance Approach](#)

**Chia-Ying Chan** (Yuan Ze University), **Christian de Peretti** (University of Lyon), **Zhuo Qiao** (University of Macau) and **Wing-Keung Wong** (Hong Kong Baptist University, China)

*Discussant:* **Sang Hoon Kang** (Gyeongsang National University)

[Sudden Changes in Variance and Volatility Persistence in Asian Foreign Exchange Markets](#)

**Sang Hoon Kang**, Ji-Hee Jung (Gyeongsang National University), Kyung-il Park and Seong-Min Yoon (Pusan National University)

*Discussant:* **Chia-Ying Chan** (Yuan Ze University)

[A Generalization of Harris-Todaro Model Economy into Full Employment of Labor with Two Urban Informal Sub-Sectors](#)

**Tadashi Inoue** (Hiroshima Shudo University)

*Discussant:* **Sang-Choon Kim** (Yeoungnam University)

**Session 6: Inter-East Asian and inter-Korean economic relations and cooperation I**

*Moderator:* **Sven Arndt** (Claremont McKenna College)

[Panel Causal Relationship between FDI and Exports. Evidence from a Sectoral Level Analysis of Vietnam](#)

**Pham Thi Hong Hanh** and Tran Thi Anh-Dao (University of Rouen)

*Discussant:* **Thanet Wattanakul** (Victoria University)

[International Comparison of Government Size: In Terms of Revenues and Expenditures](#)

**Sung Tai Kim** (Cheongju University) and Byung In Lim (Chungbuk National University)

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

[Resource Price Shocks and Macroeconomic Adjustment: a policy framework](#)

Grant M. Cox and **Charles Harvie** (University of Wollongong)

*Discussant:* **Hyeon-seung Huh** (Yonsei University)

12:00-13:30 **Lunch**

13:30-14:00 **Group Photo**

14:00-14:30 **Welcome and Best Paper Award Ceremonies (Room NAB109)**

*Moderator:* **Hyun-Hoon Lee** (APEC Policy Support Unit)

**Remarks by Hosts**

**Eui-Soon Shin** (President, Association of the Korean Economic Studies)

**Kar-yiu Wong** (Head, Department of Economics, Hong Kong Baptist University)

**Welcome Speech**

**Franklin Luk** (Vice President, Hong Kong Baptist University)

**Congratulatory Remark**

*Global Economic Crisis and Korea*

**Tong-Youn Seok** (Consul General of the Korean Consulate General in Hong Kong)

**2009 Best Paper of The Journal of the Korean Economy**

**Slavov, Slavi T. (2008)**, “Should Small Open Economies in East Asia Keep Their Eggs in One Basket?” Vol 9, No 1, pp. 1~43.

14:30-15:00 **Policy Agenda**

*Moderator:* **Eui-Soon Shin** (Yonsei University)

[\*Green Growth Policy in Korea\*](#)

**Suk Joon Kim** (President, Science and Technology Policy Institute)

15:00-15:30 **Keynote Speech**

*Moderator:* **Kar-yiu Wong** (Hong Kong Baptist University and University of Washington)

[\*High Tech, Low Fertility, Korea Becomes a Role Model in Cultural Industrial Policy\*](#)

An-Chi Tung (Academia Sinica) and **Henry Wan, Jr.** (Cornell University)

15:30-16:15 **Plenary Session I: Global Financial Crisis**

*Moderator:* **Kar-yiu Wong** (Hong Kong Baptist University and University of Washington)

[\*Global Crisis and Asian Economic Integration\*](#)

**Jong-Wha Lee** (Asia Development Bank)

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

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

16:30-17:50 **Session 7: Korean economy and foreign trade II**

*Moderator:* **Sung Tai Kim** (Cheongju University)

[\*Exchange Rate Regime Mismatch and Trade - The Case of Korea\*](#)

**Kang-Soek Lee** (Negocia Business School-Paris)

*Discussant:* **Julien Marcilly** (University of Paris Dauphine)

[\*Evaluating Exchange Rate Objectives in Monetary Policy Rules: An Application to Korea\*](#)

David Parsley (Vanderbilt University) and **Helen Popper** (Santa Clara University)

*Discussant:* **Mo Pak-Hung** (Hong Kong Baptist University)



*Causes and consequences of the global crisis: recognizing and understanding systemic risk*

**Igor Paunovic** (UN ECLAC)

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

**Session 8: FTAs and FDI, with special reference to Korea and its neighboring countries I**

*Moderator:* **Mitsuyo Ando** (Keio University)

*Foreign participation in emerging Asia's local currency debt markets and its links with bond yields*

**Julien Marcilly** (University of Paris Dauphine)

*Discussant:* **Kang-Soek Lee** (Negocia Business School-Paris)

*Political Economy of FTAs in East Asia*

**Hyung Jong Kim** (University of Malaya)

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

*Technology Adoption, Globalization and Growth in a Multi-industry Trade Model of Endogenous Innovation*

**Sang-Choon Kim** (Yeoungnam University), **Youngman Yoon** (University of Incheon), and **Taek-Dong Yeo** (Yeoungnam University)

*Discussant:* **Hyung Jong Kim** (University of Malaya)

**Session 9: Inter-East Asian and inter-Korean economic relations and cooperation II**

*Moderator:* **Elias Sanidas** (Seoul National University)

*The Rise of China and Sustained Recovery of Japan*

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

*Discussant:* **Won Joong Kim** (Kangwon National University)

*Patterns of Profiling of Job Candidates: Evidence from Application Forms*

**Vladimir Hlasny** (Ewha Womans University)

*Discussant:* **Donald Lien** (University of Texas at San Antonio)

*Analysis of FDI and Productivity: Evidence from Economic Regions of China*

**Yang Li** and **Shin-Yi Chen** (National University of Kaohsiung)

*Discussant:* **Elsadig Musa Ahmed** (Multimedia University)

18:00-20:00 **Dinner**

**Friday, July 10, 2009**

*Venue: Lam Woo International Conference Center (Room NAB109)  
Hong Kong Baptist University*

09:00-10:00 **Session 10: Trade liberalization and regionalism in East Asia II**  
*Moderator: Youngman Yoon* (University of Incheon)

[\*Complements or Substitutes? Preferential and Multilateral Trade Liberalization at the Sectoral Level\*](#)

**Mitsuyo Ando** (Keio University), Antoni Estevadeordal and Christian Volpe Martincus (Inter-American Development Bank)  
*Discussant: Richard Pomfret* (University of Adelaide)

[\*The Effects of a Branch Campus\*](#)

**Donald Lien** (University of Texas at San Antonio) and Yaqin Wang (Youngstown State University)  
*Discussant: Vladimir Hlasny* (Ewha Womans University)

**Session 11: Inter-East Asian and inter-Korean economic relations and cooperation III**

*Moderator: Yeon Ho Lee* (Chungbuk National University)

[\*Non-Homothetic Preferences and Labor Heterogeneity: The Effects of Income Inequality on Trade Patterns\*](#)

**Marcelo Fukushima** (Nihon University)  
*Discussant: Seok-Dong Wang* (Hankuk University of Foreign Studies)

[\*Occupational Choice and Income Distribution\*](#)

**Seok-Dong Wang** (Hankuk University of Foreign Studies)  
*Discussant: Marcelo Fukushima* (Nihon University)

**Session 12: Global financial crisis and the Korean economy III**

*Moderator: Yun Kwong Kwok* (Hong Kong Baptist University)

[\*Overview of Small and Medium Scale Enterprises in Sri Lanka and Pakistan in Comparative Perspectives\*](#)

**S.W.S.B Dasanayaka** (University of Moratuwa)  
*Discussant: Elias Sanidas* (Seoul National University)

[\*Ethical Attitudes and Socio-Economic Status in South Korea\*](#)

**Kit-Chun Lam** (Hong Kong Baptist University)  
*Discussant: Jae Young Lim* (Korea University)

[\*Productivity Analysis of the ICT Sector across Countries with Special Reference to India: Direction for New Science Policy\*](#)

**Somesh K Mathur** (Indian Institute of Technology)

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

10:00-10:15 **Coffee Break**

10:15-11:45 **Session 13: Korean economy and foreign trade III**

*Moderator:* **Chan-Hyun Sohn** (Kangwon National University)

[\*The Effects of Job Creation Projects for the Elderly on Health Promotion: The Case of Korea\*](#)

Suk-Won Lee (Seoul National University), **Jae-Young Lim** and Eun-Hae Shin (Korea University)

*Discussant:* **Kit-Chun Lam** (Hong Kong Baptist University)

[\*On the Impacts of Environmental Constraint through Tradable Emission Permits System\*](#)

**Jules-Eric T. Tchouto** (University of Rouen)

*Discussant:* **Jacques Lundja** (RFC)

[\*Green Economy\*](#)

**Jacques Lundja** (RFC)

*Discussant:* **Jules-Eric T. Tchouto** (University of Rouen)

**Session 14: FTAs and FDI, with special reference to Korea and its neighboring countries II**

*Moderator:* **Sung Ko Li** (Hong Kong Baptist University)

[\*Improvement and Application of Potential GDP Estimating Methods Based on DEA\*](#)

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

*Discussant:* **Somesh K Mathur** (Indian Institute of Technology)

[\*A Decomposition Analysis of Inward Foreign Direct Investment in Korea\*](#)

**Sanghack Lee** (Kookmin University) and Jeongsook Kim (Myungji University)

*Discussant:* **Mikyung Yun** (The Catholic University of Korea)

[\*Technology Transfer and Competition: Does Mode of Foreign Entry Matter?\*](#)

**Mikyung Yun** (The Catholic University of Korea)

*Discussant:* **Sanghack Lee** (Kookmin University)

11:45-12:30 **Plenary Session II: Asia-Pacific Economic Cooperation**

*Moderator:* **Hyun-Hoon Lee** (APEC Policy Support Unit)

*Regionalism in the Asia-Pacific Region: How Wide, How Deep?*

**Richard Pomfret** (University of Adelaide)

*Discussant:* **Sven Arndt** (Claremont McKenna College)

**Eduardo Pedrosa** (Pacific Economic Cooperation Council)

12:30-12:45 **Closing Session**

*Moderator:* **Hyun-Hoon Lee** (Chair, Program Committee)

**Eui-Soon Shin** (President, Association of the Korean Economic Studies)

**Kar-yiu Wong** (Head, Department of Economics, Hong Kong Baptist

University and Director, University of Washington Research

Center for International Economics)

12:45-14:00 **Lunch**