

A Joint Conference of AKES, RCIE, KCISS, BOK, POSRI and KIF

Korea and the World Economy X:
Challenges after the Recent Global Turbulences

Claremont McKenna College, CA, USA
August 12 – 13, 2011

Organizers: **Ehung Gi Baek**, President, The Association of Korean Economic Studies, Sangmyung University
Kar-yiu Wong, Director, Research Center for International Economics, University of Washington
Sven W. Arndt, Professor, Claremont McKenna College
Thomas Willett, Director, The Claremont Institute for Economic Policy Studies (CIEPS), Claremont Graduate University
Jun Il Kim, Chief Economist, The Bank of Korea
Joon Han Kim, President, POSCO Research Institute
Tae Joon Kim, President, Korea Institute of Finance

Organizing Units: The Association of Korean Economic Studies (AKES)
University of Washington Research Center for International Economics (RCIE)
Keck Center for International and Strategic Studies, Claremont McKenna College (KCISS)
The Bank of Korea (BOK)
POSCO Research Institute (POSRI)
Korea Institute of Finance (KIF)

Supporting Units: KB Financial Group
Shinhan Financial Group
Hana Financial Group
Korea Deposit Insurance Corporation
Invest Korea
Federation of Korean Industries
Korea Development Institute
Skinfood
Korea Institute of Public Finance
Korea Institute for Industrial Economics & Trade
Korea Institute for International Economic Policy
SK Research Institute
Korea Eximbank
Korea Insurance Research Institute
Hyundai Research Institute
LG Economic Research Institute
The Korea Times
Claremont Institute for Economic Policy Studies, Claremont Graduate University (CIEPS)

- Program Committee:** **Wankeun Oh**, Hankuk University of Foreign Studies (co-chair)
Kar-yiu Wong, University of Washington (co-chair)
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Won Joong Kim, Kangwon National University
- Local Organizing Committee:** **Thomas Willett**, Claremont McKenna College (co-chair)
Eunsook Seo, Sangmyung University (co-chair)
Sven W. Arndt, Claremont McKenna College
Hyung Sun Choi, Kyung Hee University
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Korea and the World Economy – The Journal)
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Jae-Young Lim, Korea University
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Fukunari Kimura, Keio University
Elias Sanidas, Seoul National University

For Inquiries

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

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Overview of the Conference

Thursday, August 11, 2010

19:00-21:00 **Conference Reception: Casa de Salsa (100m East of the Double Tree Hotel)**

Friday, August 12, 2011

Venue: Bauer South, Claremont McKenna College

08:30-09:00 **Registration**
09:00-10:30 **Session 1: (BS23) International Finance**
Session 2: (BS24) Economic Growth and Industry
Session 3: (BS25) Trade and Economic Cooperation

10:30-10:45 **Coffee Break**
10:45-12:15 **Session 4: (BS23) Energy, Climate Change and Green Growth**
Session 5: (BS24) Global Shocks and Responses
Session 6: (BS25) Monetary Economics

12:30-13:50 **Lunch (Collins)**
14:00-14:45 **Welcome and Best Paper Award Ceremony (BF)**
14:45-15:30 **Keynote Speech (BF)**
15:30-16:15 **Plenary Session I: Challenges after the Recent Global Turbulences (BF)**
16:15-16:30 **Coffee Break**
16:30-18:00 **Session 7: (BS23) Macroeconomics I**
Session 8: (BS24) Public Finance
Session 9: (BS25) Global Inflation and Monetary Policy
18:30-20:30 **Dinner (Sequoia Room, Double Tree by Hilton Hotel, Claremont)**

Saturday, August 13, 2011

Venue: Bauer South, Claremont McKenna College

09:00-10:30 **Session 10: (BS23) Macroeconomics II**
Session 11: (BS24) International Trade
Session 12: (BS25) Economic Development

10:30-10:45 **Coffee Break**
10:45-12:00 **Plenary Session II: Economic Developments since the Crisis (BF)**
12:00- **Closing Session (BF)**

Note: Main Conference Room – Bauer Forum, Bauer South (BF)
Concurrent Session Rooms – Bauer South (BS)

Program

Friday, August 12, 2011

Venue: Bauer Center, Claremont McKenna College

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

09:00-10:30 **Session 1: International Finance (BS23)**

Moderator: Chan-Guk Huh (Chungnam National University)

Measuring Misalignments in the Korean Exchange Rate

SaangJoon Baak (Waseda University)

Discussant: Bernard Kibesse (Claremont Graduate University and Central Bank of Tanzania)

Monetary and Exchange Rate Policy in the Aftermath of the Asian Financial Crisis: The Case of Korea

Jounghyeon Kim (Melbourne Institute)

Discussant: Kenneth Kim (Claremont Graduate University)

EME's Foreign Exchange Crisis and Capital Flow Reversal

Jung-Sik Kim (Yonsei University)

Discussant: Yoon Min Kim (Claremont Graduate University)

Session 2: Economic Growth and Industry (BS24)

Moderator: Kui-Wai Li (City University of Hong Kong)

Performance of Economic and Political Factors in Growth Acceleration and Sustainability

Joseph Y. Y. Wong and **Kui-Wai Li** (City University of Hong Kong)

Discussant: Tianguo Li (Seoul National University)

Foreign Bank Entry and Bank Efficiency: Experience for Emerging Economies and Agenda for Further Research

Tianguo Li (Seoul National University)

Discussant: Elias Sanidas (Seoul National University)

Modern Manufacturing, Technology, Organization, and Economic Growth across the World Today: Evidence from Country Panel Data

Elias Sanidas and **Wonkyu Shin** (Seoul National University)

Discussant: Kui-Wai Li (City University of Hong Kong)

Session 3: Trade and Economic Cooperation (BS25)

Moderator: **Kar-yiu Wong** (University of Washington)

Vertical Trade Linkages, Mixed Exchange Rates, and Macro Adjustment

Sven W. Arndt (Claremont McKenna College)

Discussant: **Yeonho Lee** (Chungbuk National University)

Northeast Asia Economic Cooperation: Assessment and Prospects of Greater Tumen Initiative

Chung Mo Koo, Hyun-Hoon Lee and Donna Yoo

(Kangwon National University)

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

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

10:45-12:15 **Session 4: Energy, Climate Change and Green Growth (BS23)
(Organized by POSCO Research Institute)**

Moderator: **Sang Hee Yoo** (POSCO Research Institute)

Trade Liberalization in Environmental Goods: Major Issues and Impacts

Sang Hee Yoo and Jisun Kim (POSCO Research Institute)

Discussant: **Wankeun Oh** (Hankuk University of Foreign Studies)

Environmental Tax Reform for Green Growth in Korea: The Design of Carbon Tax Scheme

Seung-Rae Kim (Hallym University)

Discussant: **Hal Nelson** (Claremont Graduate University)

Development of Green Growth Indicator and its Application

Sang In Kang (National Research Council), **Myungho Park** and

Wankeun Oh (Hankuk University of Foreign Studies)

Discussant: **Seung-Rae Kim** (Hallym University)

Session 5: Global Shocks and Responses (BS24)

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

Gains and Losses from Trade in a Semi-Endogenous R&D Based Growth and Trade Model with Firm Heterogeneity

Katsufumi Fukuda (Kobe University)

Discussant: **Kar-yiu Wong** (University of Washington)

How does the Japanese Exports Respond? The Global Financial Crisis and the East Japan Earthquake

Mitsuyo Ando and Fukunari Kimura (Keio University)

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

[Do Contagion Effects Exist in Capital Flow Volatility?](#)

Hyun-Hoon Lee (Kangwon National University) and

Cyn-Young Park (Asian Development Bank)

Discussant: **Kafui Nukunya** (Claremont Graduate University)

Session 6: Global Inflation and Monetary Policy (BS25)

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

[Can We Detect the Presence of Non-Keynesian Effect?](#)

Hosin Song and **Hyung-Soo Park** (Korea Institute of Public Finance)

Discussant: **Eunsook Seo** (Sangmyung University)

[Estimating Quarterly Different Price and Wage Rigidity and Its Implication for Monetary Policy](#)

Sung Ho Park (Bank of Korea)

Discussant: **Hosin Song** (Korea Institute of Public Finance)

12:30-13:50 **Lunch (Collins)**

14:00-14:45 **Welcome and Best Paper Award Ceremony (Bauer Forum)**

Moderator: **Wankeun Oh** (Hankuk University of Foreign Studies)

Remarks by Organizers

Ehung Gi Baek (President, The Association of Korean Economic Studies)

Kar-yiu Wong (Director, RCIE, University of Washington)

2011 Best Paper of Korea and the World Economy – Journal

Sven W. Arndt (2010), "[Intra-industry Trade and the Open Economy](#)",
Vol.11, No.3, pp.551-568.

14:45-15:30 **Keynote Speech (Bauer Forum)**

Moderator: **Ehung Gi Baek** (President, The Association of Korean Economic Studies)

[What if China Stumbles?](#)

Minxin Pei (Director of the Keck Center and Professor of Government, Claremont McKenna College)

15:30-16:15 **Plenary Session I: Challenges after the Recent Global Turbulences**

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

[Issues in U.S.-ROK Relations](#)

Robert M. Stern (University of Michigan)

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

16:30-18:00 **Session 7: Macroeconomics I (BS23)**

Moderator: Jung-Sik Kim (Yonsei University)

Economic Crises, Export Growth and Macroeconomic Changes: Has Korea's Economy Become More Vulnerable to External Shocks

Chan-Guk Huh (Chungnam National University) and

Chang Bae Kim (Korea Economic Research Institute)

Discussant: Linyue Li (CIEPS)

Government Responses to Financial Crises: Identifying Patterns and Policy Origins.

Eunyoung Ha (Claremont Graduate University) and

Myungkoo Kang (Claremont McKenna College)

Discussant: Penny Angkinand (Milken Institute)

The Effects of U.S. Macroeconomic Shocks on the International Commodity Prices

Kyongwook Choi (U. of Seoul), **Shawkat Hammoudeh** (Drexel U.) and

Won Joong Kim (Kangwon National University)

Discussant: Jounghyeon Kim (Melbourne Institute)

Session 8: Public Finance (BS24)

Moderator: Chung Mo Koo (Kangwon National University)

Role of Financial Stability for Fiscal Soundness

John Junggun Oh (Korea University)

Discussant: Byung In Lim (Chungbuk National University)

International Comparison of Government Size in Terms of Revenues and Expenditures

Sung Tai Kim (Cheongju U.), **Byung In Lim** (Chungbuk National U.) and

Taek-Dong Yeo (Yeungnam University)

Discussant: Hosin Song (Korea Institute of Public Finance)

The Estimation of the Effect of Public Expenditure on Household Welfare when Revisiting Aschauer

Hosin Song (Korea Institute of Public Finance)

Discussant: Seung-Rae Kim (Hallym University)

Session 9: Monetary Economics (BS25)

Moderator: Yeonho Lee (Chungbuk National University)

Money, Credit, Risk of Loss, and Limited Participation

Hyung Sun Choi (Kyung Hee University)

Discussant: Sung Ho Park (Bank of Korea)

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[Reserve Requirements and Economic Growth: a Case of South Korea](#)

Eun Young Oh (Durham University)

Discussant: **Seung-Nyeon Kim** (Hankuk University of Foreign Studies)

[Consumer Sentiment Index and Stock Price: Industry Level Study with Korean data](#)

Seung-Nyeon Kim and **Wankeun Oh** (Hankuk University of Foreign Studies)

Discussant: **Hyung Sun Choi** (Kyung Hee University)

18:30-20:00 **Dinner (Sequoia Room, Double Tree by Hilton Hotel, Claremont)**

Congratulatory Speech

Moderator: **Eunsook Seo** (Sangmyung University)

Yeon-Sung Shin (Consul General, Korean Consulate General in Los Angeles)

Jae Whan Yoo (President & CEO at Wilshire State Bank in Los Angeles)

Saturday, August 13, 2011

Venue: Bauer Center, Claremont McKenna College

09:00-10:30 **Session 10: Macroeconomics II (BS23)**

Moderator: Levam Efreimidze (CIEPS)

[The Empirical Analysis on Cross Impact of Exchange Rate, Stock Index and Inflation Rate between China and Korea](#)

Young Man Yoon (University of Incheon) and

Chi Gong (Seoul National University)

Discussant: Nan Zhang (CIEPS)

[Market-specific and Currency-specific Risk during the Global Financial Crisis: Evidence from the Interbank Markets in Tokyo and London](#)

Shin-ich Fukuda (University of Tokyo)

Discussant: Eunyoung Ha (Claremont Graduate University)

[Do the 'ASEAN Plus Three' Countries Come Close into OCA?](#)

Kentaro Kawasaki (Toyo University)

Discussant: Jung-Sik Kim (Yonsei University)

Session 11: International Trade (BS24)

Moderator: James Lehman (Pomona College and CIEPS)

[On the Optimal Timing of Foreign Trade](#)

Kar-yiu Wong (University of Washington)

Discussant: Sven W. Arndt (Claremont McKenna College)

[The Role of China in International Fragmentation and Production Network: An Empirical Investigation](#)

Hyun-Hoon Lee (Kangwon National University), **Donghyun Park** (Asian Development Bank), and **Jing Wang** (Kangwon National University)

Discussant: Mitsuyo Ando (Keio University)

Session 12: Economic Development (BS25)

Moderator: O. Yul Kwon (Griffith University)

[Does Culture Matter for Economic Development in Korea?](#)

O. Yul Kwon (Griffith University)

Discussant: Won-Gyu Hwang (Gangneung-Wonju National University)

[Awakening Africa and Korea's Role in Sharing Development Expertise](#)

Won-Gyu Hwang (Gangneung-Wonju National University)

Discussant: Myungho Park (Hankuk University of Foreign Studies)

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Global Trends in OECD & G20 Countries: Economic and Social Development Indicator

Myungho Park (Hankuk University of Foreign Studies)

Discussant: **Karen May** (Claremont Graduate University)

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

10:45-12:00 **Plenary Session II: Economic Developments since the Crisis (BF)**

Moderator: **Kar-yiu Wong** (University of Washington)

Panelists: **Fukunari Kimura** (Keio University)

John Junggun Oh (Korea University)

John Rutledge (Claremont Graduate University)

Clas Wihlborg (Chapman University)

Thomas Willett (Claremont Graduate University)

12:00- **Closing Session (Bauer Forum)**

Moderator: **Wankeun Oh** (Hankuk University of Foreign Studies)

Ehung Gi Baek (President, The Association of Korean Economic Studies)

Kar-yiu Wong (Director, University of Washington Research Center for International Economics)

Sven W. Arndt (Claremont McKenna College)