

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

Korea and the World Economy, IV

University of Washington, Seattle, U.S.A
December 10-11, 2005

Organizers: **SungTae Ro**, President, *Association of the Korean Economic Studies (AKES)*
JungTaik Hyun, President, *Korea Development Institute (KDI)*
Kar-yiu Wong, Director, Research Center for International Economics (RCIE),
University of Washington

Organizing Units: **Research Center for International Economics (RCIE)**
Association of the Korean Economic Studies (AKES)
Korea Development Institute (KDI)

Sponsors: **Consulate General of the Republic of Korea in Seattle**
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Taek-Dong Yeo, Yeungnam University (co-chair)
Insill Yi, National Assembly
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To download the papers and to get more information about this and previous conferences, please visit the web site: <http://faculty.Washington.edu/karyiu/confer/sea05/>.

PROGRAM

December 9, 2005

8:00 pm – 10:00 pm **Welcome Party**, Best Western University Tower Hotel

December 10, 2005

All sessions will be held in Walker Ames Room, Kane Hall, unless stated otherwise.

8:15 am – 9:00 am **Registration**

9:00 am – 9:15 am **Welcome Session**

Chair: Taek-Dong Yeo, Yeungnam University

SungTae Ro, President, *Association of the Korean Economic Studies (AKES)*

Jae-Gouk Kim, Consul General, *Consulate General of Republic of Korea, Seattle*

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

9:15 am – 10:45 am **Session I: The Korean Economy (I)**

Chair: SungTae Ro, Association of the Korean Economic Studies

Jong Won Lee, Sungkyunkwan University, and **Byoung Gyu Yu**, Research Fellow Hyundai Research Institute, “An Endogenous Growth Model Approach to the Korean Economic Growth Factors”

Discussant: Yunfang Hu, Kobe University

Chung Mo Koo, Kangwon National University, “Fiscal Performance, Public Debt and Fiscal Consolidation in Korea”

Discussant: B. Michael Gilroy, University of Paderborn

Stephen P. Magee, University of Texas at Austin, “A Biological Model of Development and Democratization: Application to Korea”

Discussant: Jong Won Lee, Sungkyunkwan University

10:45 am – 11:00 am **Coffee Break**

11:00 am – 12:30 pm **Session II: Korea's External Relations**

Chair: **Fumiko Takeda**, University of Tokyo

SaangJoon Baak, Waseda University, “The Effect of the Chinese Renminbi on the Korean Exports to Japan”

Discussant: **Young-Jae Kim**, Pusan National University

Yaowu Song, Harbin Institute of Technology, “Comparative Study on Hydrogen Economy Policy of China and Korea”

Discussant: **Choon Keun Lee**, Dae-Gyeong Research Institute and University of Washington

Kiheung Kim, Kyonggi University, “Economic Impact of Forming Korea-ASEAN Free Trade Agreements: The case of IT Industries”

Discussant: **Hyundo Ahn**, KIEP and University of Washington

12:30 pm – 2:00 pm **Lunch**

2:00 pm – 3:30 pm **Session III: International Trade**

Chair: **Young-Jae Kim**, Pusan National University

Toru Kikuchi, Kobe University and Chiharu Kobayashi, “Network Externalities, Competition, and Trade: East Asian Perspectives”

Discussant: **Elaina Rose**, University of Washington

Koji Shimomura and **Kenji Fujiwara**, Kobe University, and **Elias Dinopoulos**, University of Florida, “International Trade Patterns under Quasi-Linear Preferences”

Discussant: **Kar-yiu Wong**, University of Washington

Kiyoun Sohn, University of Incheon, and **Taek Dong Yeo**, Yeungnam University, “Does the international trade help to enhance national security?”

Discussant: **Toru Kikuchi**, Kobe University

3:30 pm – 3:45 pm **Coffee Break**

3:45 pm – 5:15 pm **Session IV: International Finance (I)**

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

Joshua Aizenman, University of California at Santa Cruz, **Yeonho Lee**, Chungbuk National University, and **Youngseop Rhee**, Sookmyung Women's University, “International reserves management and capital mobility in a volatile world: Policy considerations and a case study of Korea”

Discussant: **Theo Eicher**, University of Washington

Jaerang Lee and **Byung Chang Yi**, Bank of Korea, “Industry Level Real Effective Exchange Rates for Korea”

Discussant: **Eiji Ogawa**, Hitotsubashi University

Insill Yi, National Assembly Budget Office, “Market Structure and Business Diversification in the Financial Sector”

Discussant: **SangDon Lee**, Korea Research Institute for Vocational Education and Training

6:00 pm – 9:00 pm **Dinner**

December 11, 2005

8:30 am – 9:00 am **Reception**

9:00 am – 10:30 am **Session V: *International Finance (II)***

Chair: **Taek-Dong Yeo**, Yeungnam University

Thomas D. Willett, Claremont College, and **Yongbok Kim**, Claremont Graduate University,
“Assessing Korea’s Post Crisis Managed Float”

Discussant: **Yeonho Lee**, Chungbuk National University

Eiji Ogawa, Hitotsubashi University and **Kentaro Kawasaki**, Toyo University, “Adopting the
common basket peg arrangement into ‘ASEAN plus three’”

Discussant: **Thomas D. Willett**, Claremont College

Changkyu Choi, Myongji University, and **Shang-Jin Wei**, IMF, “Currency Blocs and Cross-
Border Investment”

Discussant: **Robert Dekle**, University of Southern California

10:30 am – 10:45 am **Coffee Break**

10:45 am – 12:15 pm **Session VI: *Banks and Taxation***

Chair: **Dongkoo Chang**, Bank of Korea

John P. Bonin and **Masami Imai**, Wesleyan University, “Soft Related Lending: A Tale of Two
Korean Banks”

Discussant: **Joshua Aizenman**, University of California at Santa Cruz

Kimie Harada, Chuo University, “Measuring the Efficiency of Banks: Successful Mergers in
the Korean Banking Sector”

Discussant: **Sung Tai Kim**, Chongju University

Sung Tai Kim, Chongju University, **Insill Yi**, National Assembly Budget Office, **Chong-Bum
An**, Sungkyunkwan University, **Sang-Don Lee**, Korea Research Institute for Vocational
Education and Training “Estimation of Excess Burden of Income Tax, Value-Added Tax,
and Commodity Tax in Korea: A Computable General Equilibrium Analysis”

Discussant: **Judith Thornton**, University of Washington

12:15 pm – 1:30 pm **Lunch**

1:30 pm – 3:00 pm **Session VII: *The Korean Economy (II)***

Chair: **SaangJoon Baak**, Waseda University

B. Michael Gilroy and **Elmar Lukas**, University of Paderborn, “On the Dynamics of Innovative Strategic Alliances in Korea”

Discussant: **Jian Xu**, Lyon College

Dongkoo Chang and **Youngjun Choi**, Bank of Korea, “An analysis of Brisk Exports and Sluggish Domestic Demand Using a Nontradables Model: The Case of Korea”

Discussant: **Changkyu Choi**, Myongji University

Hangyong Lee, Korea Development Institute, “The Impacts of Uncertainty on Investment in Korean Manufacturing Sector”

Discussant: **Elmar Lukas**, University of Paderborn

3:00 am – 3:15 am **Coffee Break**

3:15 pm – 4:45 pm **Session VIII: *Korea in Asia***

Chair: **Young Man Yoon**, Incheon University

Slavi T. Slavov, Pomona College, “Should Small Open Economies in East Asia Keep All Their Eggs in One Basket?”

Discussant: **Jenny Xu**, Simon Fraser University

Fumiko Takeda, University of Tokyo, and **Katsumi Matsuura**, Hiroshima University, “Trade and Environment in East Asia: Examining the Linkages with Japan and the USA”

Discussant: **Jaerang Lee**, Bank of Korea

Thomas W. Roehl, Western Washington University, and **Soonkyoo Choe**, Yonsei University, “What to Shed and What to Keep: the Divestiture and Consolidation Decisions of Korean Chaebol Groups after the Asian Crisis”

Discussant: **Insill Yi**, National Assembly Budget Office

4:45 pm – 4:50 pm **Closing Session**

Kar-yiu Wong, University of Washington