

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

# Korea and the World Economy, II

*University of Washington, Seattle, U.S.A*  
*August 1 - 2, 2003*

- Organizers:** Hee Yhon Song, President, *Association of the Korean Economic Studies* (AKES)  
Choong Soo Kim, 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), University of Washington  
Association of the Korean Economic Studies (AKES)  
Korea Development Institute (KDI)
- Sponsors:** Consulate General of the Republic of Korea in Seattle  
College of Arts and Sciences, University of Washington  
International Studies Program, University of Washington  
East Asia Center, University of Washington  
Global Business Center, University of Washington  
Korea Studies Program, University of Washington  
Office of International Affairs, University of Washington  
Korea Economic Institute  
The Korea Research Foundation
- Host:** Department of Economics, University of Washington
- Program Committee:** Kar-yiu Wong, University of Washington (co-chair)  
Chung Mo Koo, Kangwon National University (co-chair)  
Joshua Aizenman, University of California, Santa Cruz  
Hong-Tack Chun, Korea Development Institute  
Gary Hamilton, University of Washington  
Lawrence Krause, University of California, San Diego  
Jong Won Lee, Sungkyunkwan University  
Peter Lloyd, University of Melbourne  
Young Man Yoon, University of Incheon
- Local Organizers:** Haideh Salehi-Esfahani, University of Washington (chair)  
Geun Mee Ahn, University of Washington  
Hansung Kim, University of Washington  
Min Sun Kim, University of Washington  
Jaerang Lee, University of Washington  
Yuen Jong Liu, University of Washington  
Il-Seok Yang, University of Washington

For more information, please visit <http://faculty.Washington.edu/karyiu/confer/sea03/>.

# PROGRAM

July 31, 2003

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

**Jae-geok Kim**, Consul General, Consulate General of Republic of Korea, Seattle  
**Anand Yang**, Director, Jackson School of International Studies, University of Washington  
**Debra Glassman**, Assistant Faculty Director, Global Business Center, University of Washington

August 1, 2003

All Sessions will be held in Kane Hall, room 210, unless stated otherwise.

8:15 am – 9:00 am     **Registration**

9:00 am – 9:15 am     **Welcome Session**

*Chair:* **Neil Bruce**, University of Washington  
**Hee Yhon Song**, University of Incheon and President, Association of the Korean Economic Studies  
**Jack Faris**, Vice President for University Relations, University of Washington  
**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:* **Charles Nelson**, University of Washington  
**Hyun-Hoon Lee**, Kangwon National University and **Charles Harvie**, Wollongong University, “Towards a New Economic Development Model for Korea”  
*Discussant:* **Helena Guimaraes**, University of Minho

**In Kwon Lee**, Korean Economic Research Institute, “Government-led Restructuring of Firms’ Excess Capacity and Its Limits: Korean ‘Big Deal’ Case”  
*Discussant:* **Peter Beck**, Korea Economic Institute

**Roberta Rabello**tti, Università del Piemonte Orientale, **Vasco Molini**, University of Bocconi-Milan, and **Guilio Guarini**, University of Rome-La Sapienza, “Is Korea Catching Up?: An Analysis of the Labour Productivity Growth in South Korea”  
*Discussant:* **Jong Won Lee**, Sungkunkwan University

10:45 am – 11:00 am     **Coffee Break**

11:00 am – 12:30 pm    **Session II: Korea in the Asia Pacific**

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

**Joshua Aizenman**, University of California at Santa Cruz and **Nancy Marion**, Dartmouth College, “The High Demand for International Reserves in the Far East: What’s Going On?”

*Discussant:* **Jeong Ho Hahm**, Bank of Korea

**Fumiko Takeda** and **Katsumi Matsuura**, Yokohama City University, “Exchange Rate Pass-through and Strategic Behavior in Japanese Imports of DRAMs”

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

**Fukunari Kimura** and **Mitsuyo Ando**, Keio University, “Fragmentation and Agglomeration Matter: Japanese multinationals in Latin America and East Asia”

*Discussant:* **Sven Arndt**, Claremont McKenna College

12:30 pm – 2:00 pm    **Lunch**

2:00 pm – 3:30 pm    **Session III: General Theory**

*Chair:* **Ben Liu**, Chicago State University

**Jong Won Lee**, Sunkyunkwan University, **Sang Don Lee**, Korea Research Institute for Vocational Education, and **Ki-Ho Kim**, Indiana University, “A New Approach to Estimation of the Core Inflation”

*Discussant:* **Mitsuyo Ando**, Keio University

**Tadashi Inoue**, Hiroshima Shudo University, “Dynamic Patterns of Trade Imbalances with Recursive Preference”

*Discussant:* **Stephen Turnovsky**, University of Washington

**Toru Kikuchi**, Kobe University, “On the Role of Communications Networks in Regional Economic Development”

*Discussant:* **Tadashi Inoue**, Hiroshima Shudo University

3:30 pm – 3:45 pm    **Coffee Break**

3:45 pm – 5:15 pm    **Session IV: Korea’s External Relations**

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

**Jitendra Uttam**, Juwaharlal Nehru University, “The Economics of Converging Theoretical Paradigms: Evidences from Indo-Korean Bilateral Economic Cooperation”

*Discussant:* **Hee Yhon Song**, University of Incheon

**Doowon Lee**, Yonsei University, “Trade Balance Effects of Korea’s Foreign Direct Investment into China”

*Discussant:* **Michelle Turnovsky**, University of Washington

**Yongjae Choi**, Hankuk University of Foreign Studies, “Screen Quota and Recent Success in Korean Film Production”

*Discussant:* **Myunghun Lee**, Keimyung University

6:30 pm – 9:00 pm      **Dinner**

Hosted by **Korea Economic Institute**

**Peter Beck**, Korea Economic Institute

**Hee Yhon Song**, University of Incheon and President, Association of the Korean Economic Studies

August 2, 2003

8:30 am – 9:00 am      **Reception**

9:00 am – 10:30 am      **Session V: Korea in the Financial Crisis**

*Chair:* **Sven Arndt**, Claremont McKenna College

**Jaerang Lee** and **Kar-yiu Wong**, University of Washington, “Over-investment and Financial Crisis: the Case of Korea”

*Discussant:* **Fukunari Kimura**, Keio University

**Nancy Neiman Auerbach**, Scripps College and **Thomas D. Willett**, Claremont Graduate University, “The Political Economy of Perverse Financial Liberalization: Examples from the Asian Crisis”

*Discussant:* **Young Man Yoon**, University of Incheon

**Jin W. Cyhn**, Asian Development Bank, “Raising a Tiger: The Korean Government’s Restructuring Plans after the Financial Crisis”

*Discussant:* **Ki-youn Sohn**, University of Incheon

10:30 am – 10:45 am      **Coffee Break**

10:45 am – 12:15 pm      **Session VI: The Korean Economy (II)**

*Chair:* **SooSuk Sohn**, Kyungil University

**Euysung Kim**, Yonsei University, “The Impact of Ownership and Capital Structure on Korean Manufacturing Firms”

*Discussant:* **Toru Kikuchi**, Kobe University

**Sung Tai Kim**, Chongju University, “Welfare Effects of Reducing the Tax Evasion Rate: A Computable General Equilibrium Analysis for Korea”

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

**Young-Jae Kim**, Pusan National University, **Taek-Dong Yeo**, Yeungnam University, and **Choon-Keun Lee**, Daegu-Gyeongbuk Development Institute, “A Study on Korea’s Textile Industry and the Milan Project: Using the Input-Output Model”

*Discussant:* **Jitendra Uttam**, Juwaharlal Nehru University

12:15 pm – 1:30 pm      **Lunch**

1:30 pm – 2:30 pm      **Session VII: Korea and other Economies: Cross-Country Studies**

*Chair:* **Fukunari Kimura**, Keio University

**Frank S.T. Hsiao**, University of Colorado at Boulder and **Mei-Chu W. Hsiao**, University of Colorado at Denver, “The IT Revolution and Macroeconomic Volatility in Newly Developed Countries: The Korean and Taiwanese Experiences”

*Discussant:* **Chang-Jin Kim**, Korea University

**Chiharu Kobayashi**, Doshisha University, “Productivity Growth in the Electric Power Industry: A Comparative Study of Japan, the United States, and Korea”

*Discussant:* **Wen-Fang Liu**, University of Washington

2:30 pm – 2:40 pm      **Closing Session**

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