

Fourteenth Annual Conference



Asia-Pacific Economic Association

“APEA 2018”

University of Southern California, Los Angeles, USA, August 3-4, 2018

- Executive Committee:** **Kar-yiu Wong**, University of Washington, USA (chair)
Joshua Aizenman, University of Southern California, USA
Shin-ichi Fukuda, University of Tokyo, JP
Chung Mo Koo, Kangwon National University, KR
- Organizers:** Center of International Studies (CIS), University of Southern California, USA
Department of Economics, University of Southern California, USA
University of International Business and Economics, CN
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- Organizers:** University of Southern California, USA
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Yuri Sasaki, Meiji Gakuin University, JP
- Selection Committee:** **Chung Mo Koo**, Kangwon National University, KR (chair)
Juyoung Cheong, Kyung Hee University, KR

Program

Day 0: Thursday, August 2, 2018

7:00 – 9:00 pm **Reception Party** [Radisson at USC]

Day 1: Friday, August 3, 2018

8:30 – 9:00 am **Registration** [lobby, Harris Hall 101]
9:00 – 9:25 am **Welcoming Session**
9:30 – 10:15 am **Keynote Speech, I**
10:15 – 10:30 am **Coffee Break**
10:30 – 12:30 pm **Sessions 1A – 1C**
12:30 – 1:30 pm **Lunch**
1:35 – 3:35 pm **Sessions 2A – 2C**
3:35 – 3:50 pm **Coffee Break**
3:50 – 5:50 pm **Sessions 3A – 3C**
7:00 – 9:00 pm **Dinner** [Radisson Hotel Los Angeles Midtown at USC]

Day 2: Saturday, August 4, 2018

9:00 – 11:00 am **Sessions 4A – 4C**
11:00 – 11:15 am **Coffee Break**
11:15 – 12:15 pm **Keynote Speech, II**
12:15 – 1:30 pm **Lunch**
1:30 – 3:30 pm **Sessions 5A – 5C**
3:40 – 3:50 am **Coffee and Closing Remarks**

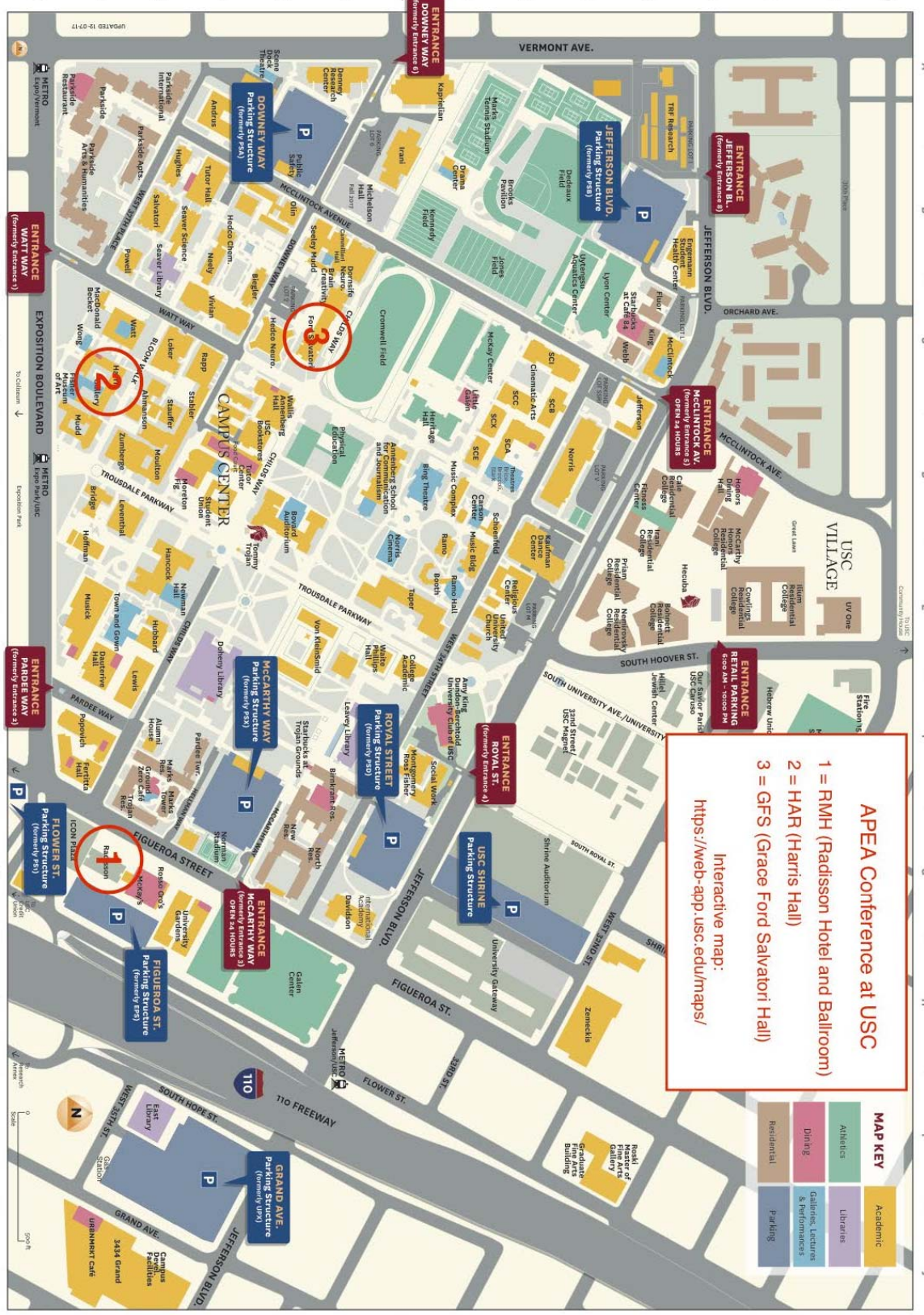
Locations:

Reception [August 2nd], Dinner [August 3rd]	see # 1, the enclosed map
Keynotes: Harris Hall 101, 825 Bloom Walk, USC	see # 2, the enclosed map
Coffee Break: Grace Ford Salvatori Lobby, 900 W 36th St, USC	see # 3, the enclosed map
Sessions A: Grace Ford Salvatori, 900 W 36th St, Room 105, USC	see # 3, the enclosed map
Sessions B: Grace Ford Salvatori, 900 W 36th St, Room 111, USC	see # 3, the enclosed map
Sessions C: Grace Ford Salvatori, 900 W 36th St, Room 113, USC	see # 3, the enclosed map
Lunches: Grace Ford Salvatori Lobby, 900 W 36th St USC	see # 3, the enclosed map

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University Park Campus

General Information: (213) 740-2311 or www.usc.edu
 Public Safety, Security and Emergency: (213) 740-4321



Program

Day 0: Thursday, August 2, 2018

7.00 – 9:00 pm **Reception Party** [Radisson Hotel Los Angeles Midtown at USC]

Day 1: Friday, August 3, 2018

8:10 Walking from the Radisson Hotel to Harris Hall [If you stay at the Radisson, please meet Joshua Aizenman at the hotel lobby at 8:05]

8:30 – 9:00 am **Registration**, Harris, 825 Bloom Walk, USC

9:00 – 9:25 am **Welcoming Session**, Harris Hall 101, 825 Bloom Walk, USC

Chair: Shin-ichi Fukuda, Tokyo University, JP

Joshua Aizenman, University of Southern California, US

Zhongxiu Zhao, University of International Business and Economics, CN

Kar-yiu Wong, University of Washington, US

9:30 – 10:15 am **Keynote Speech I**, Harris Hall 101, 825 Bloom Walk, USC

Chair: Joshua Aizenman, University of Southern California, US

Mark Spiegel, Federal Reserve Bank of San Francisco, US, “*Global evidence on bank performances under negative interest rates*”

10:15 – 10:30 am **Coffee Break**, Grace Ford Salvatori Lobby, 900 W 36th St, USC

10:30 – 12:30 pm **Sessions 1A – 1C** Grace Ford Salvatori, 900 W 36th St, USC

Session 1A. Financial Structure and Currency

Organizer: Yuri Sasaki, Meiji Gakuin University, JP

Chair: Chen-Min Hsu, CTBC Business School, TW

Yuri Sasaki, Meiji Gakuin University, JP, **Yushi Yoshida**, Shiga University, JP, **Kansho Piotr Otsubo**, Meiji Gakuin University, JP, “*Structural Change of Japanese Trade Balance*”

Eiji OGAWA and **Makoto MUTO**, Hitotsubashi University, JP, “*What Determines Utility of International Currencies?*”

Shin-ichi Fukuda, University of Tokyo, JP, and **Mariko Tanaka**, Musashino University, JP, “*Financial Spillovers from Asian Emerging Economies*”

Tsutomu Miyagawa, Gakushuin University and RIETI, JP, **Nobuhiro Kiyotaki**, Princeton University, US, **Robert Dekle**, USC, US, and **Atsushi Kawakami**, Toyo University, JP, “*Product Dynamics and Aggregate Shocks: Evidence from Japanese Product and Firm Level Data*”

Session 1B. The Japanese Economy

Chair: Chung Mo Koo, Kangwon National University, KR

Tomomi Miyazaki, Kobe University, JP, and **Motohiro Sato**, Hitotsubashi University, JP, “*Property Tax and Land Use: Evidence from the Reforms in the 1990s in Japan*”

Hayato Nakata, Meisei University, JP and **Tuan Khai Vu**, Hosei University, JP, “*Oil shocks and regional heterogeneity: The case of Japan*”

Yan ZHANG, Meiji Gakuin University, “*Stock-Price Volatilities and Macroeconomic Variables: A Comparative Analysis of Japan, China and the United States*”

Session 1C. Microeconomics, I

Chair: **Taiki Susa**, Chubu University, JP

Toshihiro Ihori, National Graduate Institute for Policy Studies, JP, “*Defense Expenditures and Allied Cooperation*”

Shashika D. Rathnayaka Mudiyanselage, Griffith University, AU, “*An Empirical Analysis of Consumption Patterns in Sri Lanka*”

Jiong Gong, University of International Business and Economics, CN, **Xiaoyong Cao**, University of International Business and Economics, CN, and **Guoqiang Tian**, Texas A&M University at College Station, US, “*State Aid in Government Procurement*”

Ephraim Clark, Middlesex University, UK, “*Economic Freedom, Growth, Volatility, and Crises*”

Kwanho Shin, Korea University, KR and **Hyun-Hoon Lee**, Kangwon National University, KR, “*Nonlinear Effects of Population Aging on Economic Growth*”

12:30 – 1:30 pm **Lunch**

1:35 – 3:35 pm **Sessions 2A – 2C**

Session 2A. Fiscal Analysis and Reserve Accumulation

Organizer: **Joshua Aizenman**, USC & the NBER, US

Chair: **Hajime Tomura**, Waseda University, JP

Joshua Aizenman, USC & the NBER, US, **Yothin Jinjarak** and **Hien Thi Kim Nguyen**, Victoria University of Wellington, NZ, “*Fiscal Revenue, Fiscal Space and Expenditure Cyclical Patterns: A Comparison of Asia, Latin America, and OECD Countries*”

Bada Han and **Minwoo Park**, University of Southern California, US, “*Optimal Reserve Accumulation with Capital Controls*”

Eunjee Kwon, University of Southern California, US, “*The Effect of Transportation on the Spatial Distribution of Jobs and firms: Evidence from South Korea*”

Robert Dekle, University of Southern California, US and **Andrew Tsang**, Hong Kong Institute for Monetary Research, HK, “*Chinese Local Bond Spreads, Monetary Policy and ‘Misallocation’*”

Session 2B. Economic Integration

Chair: **Junmin Wan**, Fukuoka University, JP

Lurong Chen, ERIA, IA, **Ludo Cuyvers**, University of Antwerp, BE and **Philippe De Lombaerde**, NEOMA Business School, FR, “*Mega FTAs: Which Strategy for ASEAN?*”

Hiro Lee, Osaka University, JP and **Ken Itakura**, Nagoya City University, JP, “*Winners and Losers from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership*”

Tuan Khai Vu, Hosei University, JP, “*Intra-regional trade in intermediate goods and macroeconomic interdependence in East Asia*”

Weibo Xing, University of International Business and Economics, CN, “*Domestic Integration vs. International Integration: Evidence from China*”

Session 2C. The Chinese Economy, I

Chair: **Wei Zhao**, ESSCA School of Management, FR

Zhuang Xuying and **Wu Mengqi**, University of International Business and Economics, CN, “*The Effect of the R&D Expenses Tax Super Deduction Policy in China—An Empirical Analysis Based on GEM Companies*”

Zhang Xin and **Zhou Shaojie**, Tsinghua University, CN, “*Residence Decision, Settlement Intention and Social Integration: An Empirical Study Based on Floating Population in Urban and Rural Areas*”

Xia Wang, **Yishan Zhu**, and **Jingjing Gao**, Peking University, CN, “*The Effect of Depression on Labor Participation of Middle-aged and Older Chinese: A Study Based on CHARLS Panel Data*”

3:35 – 3:50 pm **Coffee Break**

3:50– 5:50 pm **Sessions 3A – 3C**

Session 3A. International Finance and Monetary

Chair: **Yosuke Takeda**, Sophia University, JP

SaangJoon Baak, Waseda University, JP, “*The impacts of exchange rates on the machinery exports from China, Japan and Korea to the US*”

Sumru Altug, Koç University, TR, **Fabrice Collard**, University of Bern, TR, **Cem Çakmaklı**, Koç University, TR, **Sujoy Mukerji**, Queen Mary University, UK, and **Han Özsöylev**, Koç University TR and University of Oxford, UK, “*Ambiguous Business Cycles: A Quantitative Assessment*”

Sahana Roy Chowdhury, International Management Institute, Kolkata, IN, and **Rudrani Bhattacharya** and **Shruti Tripathiy**, National Institute of Public Finance and Policy, IN, “*Financial structure, institutional quality and monetary policy transmission: A Meta Analysis*”

Sanae Ohno, Musashi University, JP, “*Systemic Liquidity Risk and Measurement of Connectedness*”

Session 3B. The Chinese Economy, II

Chair: **Xiaopeng Yin**, University of International Business and Economics, CN

Mark M. Spiegel, Federal Reserve Bank of San Francisco, US **Zheng Liu**, Federal Reserve Bank of San Francisco, US, and **Jingyi Zhang**, Shanghai Jiao Tong University, CN, “*Financial Repression and Capital Controls in the Chinese Economy*”

Xuehui Han, Asian Infrastructure Investment Bank, CN, **Yuan Cheng**, Fudan University, CN, and **Ma. Christina F. Epetia**, University of the Philippines, PH, “*‘Subsidy’ or ‘Tax’? Corporate Credit Misallocation Induced by the Nexus of State-Owned Enterprises and State-Owned Banks*”

Orchi Modhurima, University of Washington, US, “*David and Goliath: How Chinese Competition Impacts Other Export-Competing Developing Countries*”

Katsuji Nakagane, University of Tokyo, JP and **Kohei Mitsunami**, Teikyo University, JP, “*Privatization/Marketization Dynamics in Developing Transition Economies: New Evidence from China*”

Session 3C. Education, Employment and Poverty

Chair: **Arindam Banik**, International Management Institute, Kolkata, IN

Hanbyul Ryu, University of California, Riverside, US, “*The Effect of Compulsory Preschool Education on Maternal Employment: Evidence from Brazilian education reform*”

Sithanoxay Suvannaphakdy, Laos-Australia Development Learning Facility, LA, “*Do Village Funds Improve Access to Finance for the Poor? Evidence from Laos*”

Hazrul Shahiri and Zulkifly Osman, Universiti Kebangsaan Malaysia, MY, “*Key Sources of Missing Link between GDP and Employment Growth in Malaysian Labor Market*”

Seo-Young Cho, Philipps-University of Marburg Gender-matching School, KR, “*Effects on Girls’ Cognitive and Non-cognitive Performance —Empirical Evidence from South Korea*”

7:00 – 9:00 pm **Dinner** [Radisson Hotel Los Angeles Midtown at USC]

Day 2: Saturday, August 4, 2018

9:00 – 11:00 am **Sessions 4A – 4C**

Session 4A. The Central Bank and the Lender of Last Resort

Organizer: **Yuri Sasaki**, Meiji Gakuin University, JP

Chair: **Eiji OGAWA**, Hitotsubashi University, JP

Yosuke Takeda, Yuki Fukumoto and Yasuhide Yajima, Sophia University, JP, “*A Note on the ‘New Normal’ of Central Bank’s Balance Sheet*”

Hajime Tomura, Waseda University, JP, “*On Separation between Payment and Saving Instruments*”

Yoshihiro Tamai, Kanagawa University, JP, “*Quality of Information and the Bail-out Policy of the Lender of Last Resort*”

Masaya Sakuragawa, Keio University, JP, **Satoshi Tobe**, Kwansai Gakuin University, JP, and **Mengyuan Zhou**, Keio University, JP, “*Chinese Housing Market and Bank’s Credit Supply*”

Session 4B. The Indian Economy

Chair: **Bada Han**, University of Southern California, US

Arindam Banik, International Management Institute, Kolkata, IN and **Pradip K. Bhaumik**, International Management Institute, New Delhi, IN, “*Technological Change, Skill Demand and Wage Inequality in Rural India*”

Aparna Sawhney, Jawaharlal Nehru University, IN, “*Export Behavior of Manufacturing Firms: Evidence from India*”

Ritu Parna Basu, Intl Management Institute Kolkata, IN, “*Trade, Development, Wage Inequality and Poverty in India*”

Tirthankar Nag, International Management Institute Kolkata, IN, “*What fuels innovation in firms? Exploring linkages of R&D and ICT capabilities with innovation performance of Indian firms*”

Session 4C. International Trade

Chair: **Kiyoun Sohn**, Incheon National University, KR

Xiaopeng Yin, University of International Business and Economics, CN, “*When ‘International Consumption Correlations Puzzle’ meets ‘Kaldor’s Facts’: the Unbalanced Growth Approach*”

Deasy Damayanti Putri Pane, The Australian National University, AU, “*Learning-by-exporting in the presence of a quota intervention: evidence from Indonesia*”

Joseph D. Alba, Jingting Liu, and Wai-Mun Chia, Nanyang Technological University, SG, and **Donghyun Park**, Asian Development Bank, PH, “*Foreign Output Shock in Oil-Importing Open Economies: A Welfare Evaluation of Monetary Policy Regimes*”

Ephraim Clark, Middlesex University, UK, “*Economic Freedom, Growth, Volatility, and Crises*”

Pierre Siklos and **Andrew Filardo**, Bank of International Settlements, CH, “The cross-border credit channel and lending standards surveys”

11:00 – 11:15 am **Coffee Break**

11:15 – 12:15 pm **Keynote Speech, II**

Chair: **Kar-yiu Wong**, University of Washington, US

Zhongxiu Zhao, University of International Business and Economics, CN, “*Understanding Yi and Li in the Sino-US Trade Dispute: A Chinese Perspective*”

12:15 – 1:30 pm **Lunch**

1:30 – 3:30 pm **Sessions 5A – 5C**

Session 5A. The Chinese Economy, III

Chair: **Katsuji Nakagane**, University of Tokyo, JP

Zhongzhong Hu, University of International Business and Economics, CN, “*How does Export Control of Raw Materials affect Downstream Industries? Evidence from China*”

Kiyoun Sohn, Incheon National University, KR, and **Young-Jae Kim**, Pusan National University, KR, “*Analysis of China’s FTAs*”

Nimesh Salike, Xi’an Jiaotong-Liverpool University, CN, **Yanghua Huang**, Chinese Academy of Social Sciences, CN, **Zhifeng Yin**, Central University of Finance and Economics, CN, and **Douglas Zhihua Zeng**, Tianjin Normal University, CN and World Bank, US, “*Enterprise innovation in China: Does ownership or size matter?*”

Wei Zhao, ESSCA School of Management, FR, “*Managing the ‘Post-Miracle’ Economy of China: Growth Model Crisis and Policy Implications*”

Session 5B. Microeconomics, II

Chair: **Toshihiro Ihuri**, National Graduate Institute for Policy Studies, JP

Taiki Susa, Chubu University, JP, **Hikaru Ogawa**, University of Tokyo, JP, and **Keisuke Kawachi**, “*Equilibrium Leadership in Tax Competition When Capital Supply is Endogenous*”

Katsushi Mizuno, Meiji University, JP, **Hiroshi Yokota**, Rakuno Gakuen University, JP, **Go Igusa**, Matsuyama University, JP, **Eiji Takeda**, Matsuyama Junior College, JP, “*Applied Study of a CES-Type Utility Function Based on a Trial of a New Sakhalin Spruce Product*”

Mengxia Zhang, University of International Business and Economics, CN, “*Purchasing Intangible Cultural Heritage (ICH) products: Cultural Identity, Consumer Knowledge, and Perceived Scarcity*”

Jinyoung Hong, Jungseok Research Institute of Intl Logistics and Trade, KR, “*A Study for role of the logistics industry in ASEAN Countries under the Global E-commerce Environment*”

Session 5C. Macroeconomics and Financial Crisis

Chair: **Yuri Sasaki**, Meiji Gakuin University, JP

Chen-Min Hsu, CTBC Business School, TW and **Wan-Chun Liu**, Takming University of Science and Technology, TW, “*Bank Failure Model for Asian Financial Crisis and Subprime Mortgage Crisis: A Comparison*”

Kazuyuki Sasakura, Waseda University, JP, “*Looking at the FTPL through a Unified Macro Model*”

Junmin Wan, Fukuoka University, JP, “*Bubble Occurrence and Landing*”

Katharina Sauter, Friedrichshafen Institute for Family Entrepreneurship, DE, “*Relationship Banking Following the Financial Crisis: A Study on Pricing and Non-pricing Loan Terms*”

3:40 – 3:50 pm **Coffee and Closing Remarks**

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