

2009 KDI JOURNAL OF ECONOMIC POLICY CONFERENCE

**Financial Crisis, Recovery and
Sustaining Growth**

AUGUST 7, 2009

Main Conference Hall & Conference Room in Annex

KDI

Organized by

Korea Development Institute (KDI)

Korea-America Economic Association (KAEA)

[August 7, 2009]

09:00-09:20 Opening

Welcoming remark: President, KDI / President, KAEA

Key Note: Minister, Minister of Strategy and Finance

Session I Responses to Global Financial Crisis

Chairman: Prof. Ji Soon Lee [Seoul National University]

09:20-10:00 Presenter

Will the U.S. Bank Recapitalization Succeed? Lessons from Japan

Prof. Takeo Hoshi [UC, San Diego]

Discussant

Dr. Dong Soo Kang [Korea Development Institute]

10:00-10:40 Presenter

Financial Intermediation and the Post-Crisis Financial System, with
Implications for Korea

Prof. Hyun Song Shin [Princeton University]

Discussant

Prof. Inseok Shin [Chung-Ang University]

10:40-11:20 Presenter

Sovereign Wealth Meets Market Failure: Government Participation vs.
Government Intervention In Markets

Prof. Leslie Young [The Chinese University of Hong Kong]

Discussant

Dr. Jun-Il Kim [International Monetary Fund]

11:20-11:40 Coffee Break

Session II-A Post Crisis Challenges for the Korean Economy

Chairman: Prof. Won Am Park [Hongik University]

11:40-12:10 Presenter
Between Two Whales: Korea's Choice in the Post-Crisis Era
Prof. Joon-Kyung Kim [KDI School of Public Policy & Management]

Discussant
Dr. MoonJoong Tcha [Korea Development Institute]

12:10-12:40 Presenter
Global Financial Crisis and Fiscal Policy Direction of Korea
Dr. Young-Sun Koh [Korea Development Institute]

Session II-B Social Impact of Financial Crisis

Chairman: Prof. Kwang Soo Cheong [Johns Hopkins University]

11:40-12:10 Presenter
Economic Crisis and Intergenerational Economy: Lessons from Korea's
1997-98 Economic Crisis
Prof. Sang-Hyop Lee [University of Hawaii]

Discussant
Dr. Hisam Kim [Korea Development Institute]

12:10-12:40 Presenter
Growth of Felonies after the 1997 Financial Crisis in Korea
Dr. Duol KIM [Korea Development Institute]

Discussant
Dr. John M. KIM [Korea Institute of Public Finance]

12:40-14:00 Lunch
Keynote Speech
Prof. Yung Chul Park [Korea University]

Session III-A Causes of Crisis

Chairman: Prof. Sang Bin Lee [Hanyang University]

14:00-14:30

Presenter

Walking after the Elephants of Financial Crisis

Prof. Yong J. Yoon [George Mason University]

Discussant

Prof. Kwang Choi [Hankuk University of Foreign Studies]

14:30-15:00

Presenter

Was There an Explosive Bubble in U.S. Stock Prices before the Recent Stock Market Crash?

Prof. Ky-hyang Yuhn [Florida Atlantic University]

Discussant

Dr. Min-Kyu Song [Korea Development Institute]

Session III-B Testing Financial Contagion

Chairman: Prof. Byung Sam Yoo [Yonsei University]

14:00-14:30

Presenter

Testing Financial Contagion with Time-Varying Correlation of Heteroscedastic Asset Returns

Prof. Kiseok Nam [Yeshiva University]

Discussant

Prof. Jae-Young Kim [Seoul National University]

14:30-15:00

Presenter

Forecasting Time-varying Densities of Inflation Rates: A Functional Autoregressive Approach

Prof. Yongcheol Shin [Leeds University Business School]

Discussant

Prof. Jin Lee [Ewha Womans University]

15:00-15:10

Coffee Break

Session IV-A Foreign Exchange Policy

Chairman: Prof. Yoonbai Kim [University of Kentucky]

15:10-15:40 Presenter
Global Crisis, Official Bailout and the Long-Run Demand for Official Lending
Dr. Jun-Il Kim [International Monetary Fund]

Discussant
Prof. Sung-In Jun [Hongik University]

15:40-16:10 Presenter
A Reevaluation of Foreign Exchange Policy and Future Policy Direction
Dr. Taiki Lee [Korea Institute of Finance]

Discussant
Dr. Dongchul Cho [Korea Development Institute]

Session IV-B Monetary Policy

Chairman: Prof. Young-June Kwon [Kyunghee University]

15:10-15:40 Presenter
Capital Market Globalization and Monetary Policy Independence in Korea
Prof. Kwanho Shin [Korea University]

Discussant
Prof. Wooheon Rhee [Kyunghee University]

15:40-16:10 Presenter
Financial Market Integration in East Asia: Status and Options
Prof. Woo-Sik Moon [Seoul National University]

Discussant
Dr. Deok Ryong Yoon [Korea Institute for International Economic Policy]

16:10-16:30 Coffee Break

Panel Discussion

Chairman: Dr. Sang Dal Shim [Korea Development Institute]

16:30-18:00

Discussant

Dr. YongHyup Oh [Korea Institute for International Economic Policy]

Prof. Bong Soo Lee [Florida State University]

Prof. Sang Yong Park [Yonsei University]

Prof. Takeo Hoshi [UC, San Diego]

Prof. Yeongseop Rhee[SookMyung University]

Dr. Gwang-Ju Rhee [Deputy Governor of The Bank of Korea]

Dr. Moon-Soo Kang [Korea Development Institute]

18:30-

Dinner [Hosted by Senior Deputy Governor of Financial Supervisory Service]