

2024 Asia-Pacific Symposium on Economics and Finance

Date: November 29, 2024

Hosts: Hanyang Economic Research Institute (HERi),
College of Economics and Finance (CEF), Hanyang University

9:00-9:10: Opening Ceremony

Venue: CEF 101

Opening Remark: Young Jun CHUN, Director of HERi

Welcoming Speech: Cheolsung PARK, Dean of CEF, Hanyang University

9:10-10:50 Session I (Microeconomics)

Venue: CEF 101

Chair: Shigeto KITANO (Kobe)

Presentation 1: Administrative Boundaries and Innovation Collaboration

Presenter: Chunhua WANG (SJTU)

Presentation 2: Redistributive taxation in the Roy model: capital-skill complementarity vs. trickle down

Presenter: Yunmin CHEN (NCU)

Presentation 3: Impact of Long-Term Transactions of Local Parts Suppliers with Foreign Assemblers on the Suppliers' Participation in Global Value Chains (GVCs): The Case of the Automotive Industry in India, 1997–2016

Presenter: Takahiro SATO (Kobe)

10:50-11:00 Coffee Break

11:00-12:10: Session II (Political Economy, Economic History)

Venue: CEF 101

Chair: Chunhua WANG (SJTU)

Presentation 1: The State Origin of Obedience

Presenter: Jinfeng LUO (Lingnan)

Presentation 2: From Alien to Citizen: The Power of Inclusive Propaganda during World War I

Presenter: Joung Yeob HA (Hanyang)

12:10-13:30: Lunch

13:30-14:40: Session III (Macroeconomics, Finance)

Venue: CEF 101

Chair: Jin-Hui YEH (NCU)

Presentation 1: Intensity Bursts in Wall Street Bets Discussion and Stock Markets Trading

Presenter: Yoichi OTSUBO (Kobe)

Presentation 2: The Impact of Monetary Policy Shocks on Firm Investment: The Role of Intangible Assets in China

Presenter: Guangzhi YE (NTU)

14:40-15:50: Session IV (Econometrics)

Venue: CEF 101

Chair: Takuji KINKYO (Kobe)

Presentation 1 Comparing factor models with conditioning information

Presenter: Seok Young HONG (NTU)

Presentation 2: Estimation and inference of heterogeneous treatment effects in regression discontinuity designs, with implementation in R using the QTE.RD package.

Presenter: Jungmo YOON (Hanyang)

15:50-16:00 Coffee Break

16:00-17:40:

Session V (Health and Urban Economics)

Venue: CEF 101

Chair: Guangzhi YE (NTU)

Zoom Link:

<https://us02web.zoom.us/j/2752681620?pwd=MWFxWllqTzc1RW55SWM2YmpSM2hSZz09&omn=86957082981>

Zoom Number: 275 268 1620

Password: 1234

Presentation 1 (online): Beyond Lost Earnings: Job Displacement and the Cost of Commuting

Presenter: Yige DUAN (SJTU)

Presentation 2: Decision fatigue in Physicians

Presenter: Han YE (Lingnan)

Presentation 3: The Effect of Near-Cash Transfers on Infant Health: Evidence from Transportation Subsidies in Seoul, South Korea

Presenter: Sojung HONG (Hanyang)

Session VI (Graduate Student Session)

Venue: CEF 102

Chair: Jungmo YOON (Hanyang)

Presentation 1: Market Access, Political Connections, and Firm Performance

Presenter: You LEI (Lingnan)

Presentation 2: The Impact of Gambling Attitude on Suicide

Presenter: Sungeun PARK (Hanyang)

Presentation 3: Labor Market Consequences of Starting College in a Recession

Presenter: Chae LEE (Hanyang)

17:40-18:00: Closing Remarks

Venue: CEF101

Jin-Hui YEH, Dean of Management School, NCU

Takuji KINKYO, Dean of the Graduate School of Economics, Kobe University
Jinfeng LUO, Professor, Lingnan University
Chunhua WANG, Professor, Shanghai Jiao Tong University
Guangzhi YE, Professor, Nanyang Technological University

Local Hosts:

Hanyang Economic Research Institute (HERI)
College of Economics and Finance, Hanyang University, Seoul, Korea

Organizing Committee:

Young Jun CHUN (local organizer), Hanyang University, Seoul
Fuhai HONG, Lingnan University, Hong Kong
Henry Hongren HUANG, National Central University, Taipei
Junyi SHEN, Kobe University, Kobe
Chunhwa WANG, Shanghai Jiao Tong University, Shanghai
Wenjie WANG, Nanyang Technological University, Singapore

Participants (in alphabetical order):

Yunmin CHEN, National Central University, Taipei

Young Jun CHUN, Hanyang University, Seoul

Yige DUAN, Shanghai Jiao Tong University, Shanghai

Joung Yeob HA, Hanyang University, Seoul

Seok Young HONG, Nanyang Technological University, Singapore

Sojung HONG, Hanyang University, Seoul

Shigeto KITANO, Kobe University, Kobe

Takuji KINKYO, Kobe University, Kobe

Chae LEE, Hanyang University, Seoul

Han YE, Lingnan University, Hong Kong

Jinfeng LUO, Lingnan University, Hong Kong

You LEI, Lingnan University, Hong Kong

Yoichi OTSUBO, Kobe University, Kobe

Sungeun PARK, Hanyang University, Seoul

Takahiro SATO, Kobe University, Kobe

Guangzhi YE, Nanyang Technological University, Singapore

Jin-Hui YEH, National Central University, Taipei

Jungmo YOON, Hanyang University, Seoul

Chunhua WANG, Shanghai Jiao Tong University, Shanghai

Introduction of Speakers and Abstracts

Session I:

Chunhua WANG (Shanghai Jiao Tong University)



Bio:

Chunhua Wang is an Associate Professor of Economics at Antai College of Economics and Management, Shanghai Jiao Tong University, China. His research interests include environmental and energy economics, regional and urban economics, and development economics. His work has been published in journals such as the Journal of Development Economics, Journal of Environmental Economics and Management, Journal of Economic Geography, and PNAS, among others.

Title: Administrative Boundaries and Innovation Collaboration

Abstract:

Collaboration fosters innovation by bringing together people with diverse experiences, perspectives, and skills. While existing literature highlights the significance of collaboration networks, it lacks a comprehensive understanding of the factors influencing collaboration among researchers. Previous studies have explored the roles of geographical distance, travel time, and technological diversification. In this paper, we present the first empirical analysis demonstrating that administrative boundaries, even within a single city in China, can impede the formation of collaboration networks among inventors.

Yunmin CHEN (National Central University)



Bio:

Dr. Yunmin Chen is currently an assistant professor in the Department of Economics at National Central University. Her research interests include taxation theory, public economics, and macroeconomics.

Title: Redistributive taxation in the Roy model: capital-skill complementarity vs. trickle down

Abstract:

This paper revisits redistributive taxation in the Roy model as addressed by Rothschild and Scheuer (2013). In light of Autor's (2019) observation that the "trickle down" effect lacks significance in reality, we extend the model to incorporate the "capital-skill complementarity" effect as highlighted by Krusell et al. (2000). While the trickle down effect implies a force toward lower tax progressivity relative to a standard Mirrlees model, the incorporation of the capital-skill complementarity effect gives rise to a force toward higher tax progressivity. In the two-type setting of Stiglitz (1982) with endogenous wages, we demonstrate that the high type will face a near zero or even a positive marginal tax rate in the Pareto optimum once capital is sufficiently advanced. This result contrasts with the negative marginal tax rate derived in Stiglitz (1982) and Rothschild and Scheuer (2013)

Takahiro SATO (Kobe University)



Bio:

Dr. Takahiro Sato is a professor of the Research Institute for Economics and Business Administration (RIEB) at Kobe University. His areas of research are development economics and studies on the Indian economy. He has authored a lot of books and articles which have appeared in *Journal of Policy Modeling*, *Economics of Governance*, *Oxford Development Studies*, *Economic and Political Weekly*, *Canadian Journal of Development Studies*, *Journal of Asian Economics*, *Pacific Economic Review*, and *European Journal of Development Research*. In 2007 he received the first JASAS Award from the

Japanese Association for South Asian Studies.

Title: Impact of Long-Term Transactions of Local Parts Suppliers with Foreign Assemblers on the Suppliers' Participation in Global Value Chains (GVCs): The Case of the Automotive Industry in India, 1997–2016

Abstract:

This paper examines the impact of local parts suppliers' long-term transactions with domestically-located foreign assemblers in the Indian automotive industry on their participation in global value chains (GVCs). We used data from the Directory of the Automotive Component Manufacturers Association of India (ACMA) for 1997–2016, which includes information on each part supplier's transactions with specific assemblers. The estimation results indicate that continuous transactions with foreign assemblers allow local suppliers to climb up the ladder of GVCs. In particular, two giant assemblers (Suzuki and Honda) play a significant role in enhancing the ability of local parts suppliers in India to export their products to overseas parts suppliers and assemblers.

Session II:

Jinfeng LUO (Lingnan University)



Bio:

Dr. Jinfeng Luo joined Lingnan University as an Assistant Professor in 2023. He obtained his bachelor's degree from Tsinghua University and a Ph.D. in economics from the University of Pennsylvania. His research focuses broadly on macroeconomics. He is particularly interested in macro labor, macro development, and spatial and cultural economics.

Title: The State Origin of Obedience

Abstract:

Public acceptance of unequal power distribution, i.e., the culture of obedience, is an important dimension of social norms that made hierarchy societies possible in history and is still shaping the organization of modern lives today. We study the effect of centralized state history on modern people's degree of obedience. People who live in societies with a history of longer and more power-concentrated states report both a higher tendency to obey their bosses in the workplace and a higher expectation of obedience to their children. The pursuit of causal identification through independent strategies, such as second-generation immigrants in the U.S. and Europe, the dissolution of the Soviet Union as a natural experiment, and exposure to the free flow of information during adolescence, enhances our results. We also find long and power-concentrated state histories leave observable cultural footprints. We further corroborate our analysis by showing that individuals who live in societies with longer and more centralized state history also tend to participate in protests less and put more importance on national order over personal freedom.

Joung Yeob HA (Hanyang University)



Bio:

Dr. Joung Yeob Ha is an Assistant Professor in the College of Economics and Finance at Hanyang University. His research interests include economic history and political economy, with a current focus on immigration and culture in the early 20th-century U.S. His work has been published in the *Journal of Economic History* and the *Economics of Education Review*.

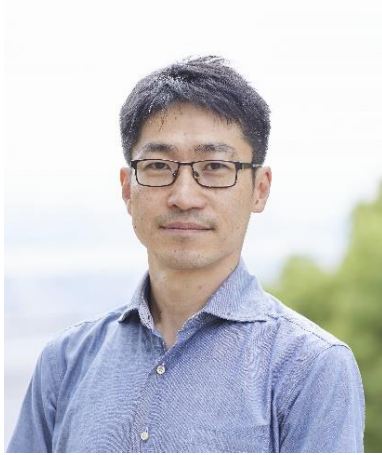
Title: From Alien to Citizen: The Power of Inclusive Propaganda during World War I

Abstract:

This paper provides the first empirical evidence of the effect of inclusive propaganda on cultural assimilation. During WWI, the U.S. government launched unprecedented propaganda campaigns and promoted national unity to garner war support from immigrants. I create a novel dataset of wartime campaigns by the Committee on Public Information (CPI), the first federal bureau charged with large-scale propaganda in American history. Using a difference-in-differences strategy that leverages idiosyncratic cancellation in campaign events, I find that immigrants with higher exposure to the CPI's inclusive propaganda were more likely to naturalize, marry native spouses, and choose American names for their children. Moreover, these immigrants supported the country during the war even more actively than natives by purchasing more war bonds and saving more food. I show that immigrants who were more culturally distant from natives exhibited greater assimilation efforts, corroborating existing theoretical models.

Session III:

Yoichi Otsubo (Kobe University)



Bio:

Dr. Yoichi Otsubo is an Associate Professor at Kobe University and hold honorary academic position at the University of Manchester. He previously held appointments at the University of Manchester, Bank of Japan Institute for Monetary and Economics Studies, and University of Luxembourg. Yoichi hold a Ph.D. in Economics from Rutgers University and received both his B.A. in International Relations and M.A. in International Political Economy from University of Tsukuba. In his research, Dr. Otsubo has investigated aspects of financial economics, particularly the informational (in)efficiency of financial markets (e.g. market microstructure, price discovery process). He is currently working on research topics such as retail investors' communication in social media and risk connectedness of financial institutions.

Title: Intensity Bursts in WallStreetBets Discussion and Stock Markets Trading

Abstract:

This study examines the impact of social media activity on stock market dynamics, focusing on upsurges (intensity burst, IB) in Reddit's WallStreetBets (WSB) submissions. By analysing trading turnover, returns, and short-selling activities, we reveal that IBs lead to significant increases in trading turnover and stock returns, with discussions inside regular trading hours (RTH) having a more pronounced impact than the ones outside RTH. Conversely, we find that high levels of short-selling pressure prior to IB events, suggesting complex dynamics associated with short selling. Our findings highlight the crucial role of social media discussion timing in influencing market movements, contributing to the understanding of social finance dynamics.

Guangzhi YE (Nanyang Technological University)



Bio:

Guangzhi YE is an assistant professor in economics from Nanyang Technological University, Singapore with fields of interest in macroeconomics and finance. He earned his Ph.D. in Economics from Boston University and received his B.S. in Mathematics and Economics from the Hong Kong University of Science and Technology. His research focuses on interactions of firms' investment and financing behaviors, aggregate impacts of the recovery rate, and intangible capital. His current work examines the quantitative aggregate implications of a declining recovery rate due to rising intangibles through a general equilibrium heterogeneous firm model.

Title: The Impact of Monetary Policy Shocks on Firm Investment: The Role of Intangible Assets in China (with Wenyi Zhang)

Abstract:

This study examines how China's monetary policy shocks affect firm investment, focusing on the role of intangible assets. China's monetary policy is complex, using a mix of quantity-based and price-based tools. This paper creates a Composite Monetary Policy (CMP) indicator to understand these policies better and then extracts shocks from this indicator to analyze how they impact firm-level investment decisions. The results show that intangible assets help reduce the negative effects of contractionary monetary policy shocks on firm investment. This study considers firm heterogeneity, including differences in ownership structure and industries. It also explores how intangible assets influence firm responses to monetary policy shocks through financing decisions, location, and profitability. These findings help explain how intangible assets contribute to firm resilience in China's emerging market.

Session IV:

Seok Young HONG (Nanyang Technological University)



Bio:

Seok Young Hong is an Assistant Professor of Economics and Data Science at Nanyang Technological University, Singapore. He holds a PhD from the University of Cambridge, where he was a recipient of the Smith/Rayleigh-Knight Prize. He has published in leading journals such as the *Journal of Econometrics* and the *Journal of Financial Econometrics*. His primary research interests lie in developing time series methods for the analysis of big/complex datasets in economics and finance.

Title: Comparing factor models with conditioning information (joint with S. Ahmed, D. Tsvetanov)

Abstract:

We develop a novel framework to conduct asymptotically valid tests for comparing factor models with conditioning information. The tests are based on a metric analogous to the squared Sharpe ratio improvement measure that is used to gauge the extent of model mispricing in an unconditional setting. We propose an estimator for the metric and study its limiting properties, establishing the asymptotic normality. An advantage of our framework is that it can be applied without an a priori knowledge of the persistence nature of the conditioning variables. We accommodate a range of dependence classes, including stationary, near stationarity, integrated, and local-to-unity.

Jungmoo YOON (Hanyang University)



Bio:

Dr. Jungmo Yoon is a professor of the College of Economics and Finance at Hanyang University. His areas of research are econometrics and its applications including labor economics and law and economics. He has authored research papers which have appeared in *Journal of the American Statistical Association*, *Review of Economics and Statistics*, *Journal of Econometrics*, *Quantitative Economics*, *Journal of Business and Economic Statistics*, *Journal of Nonparametric Statistics*, and *Journal of Institutional and Theoretical Economics*.

Title: Estimation and inference of heterogeneous treatment effects in regression discontinuity designs, with implementation in R using the QTE.RD package.

Abstract:

This study introduces methods to test, estimate, and conduct uniform inference on quantile treatment effects (QTEs) in sharp regression discontinuity (RD) designs, with covariate and with robust bias correction. The methods facilitate 1) obtaining QTEs and uniform confidence bands, with or without covariates, and with or without robust bias correction; 2) testing three hypotheses regarding the significance of treatment effects, homogeneous treatment effects, and uniformly positive or negative treatment effects; 3) implementing two bandwidth selection rules, cross-validation and MSE-optimal bandwidths; and 4) generating visual summaries of treatment effects with confidence bands. An empirical application using the R package QTE.RD illustrates the impact of tracking (assigning students to separate classes based on prior achievement) on student achievement, with data from Duflo, Dupas, and Kremer (2011).

Session V:

Yige DUAN (Shanghai Jiao Tong University)



Bio:

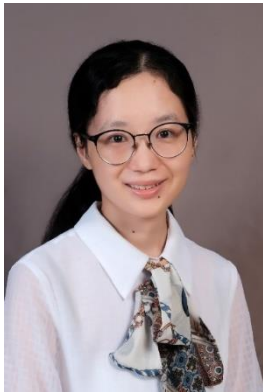
Dr. Yige Duan is an Assistant Professor of Economics at Shanghai Jiao Tong University. His research focuses on labor and urban economics, and he studies workers' job search and commuting behavior using administrative employee-employer data.

Title: Beyond Lost Earnings: Job Displacement and the Cost of Commuting

Abstract:

We examine changes in workers' commuting behavior after job displacement and its contribution to the total cost of job loss. Combining German employee-employer data with geo-coordinates of workers' residences and workplaces, we show that displaced workers commute longer distances to subsequent jobs by up to 23.1 percent (3.38 kilometers) over the next 10 years. Estimating an on-the-job search model with heterogeneous firms and commuting distances, we find an average commuting cost for German workers of 1.4 euros per kilometer or 20.2 euros per day. Hence, longer commuting exacerbates the total cost of job displacement by one-fifth of the wage losses.

Han YE (Lingnan University)



Bio:

Dr Han Ye is an assistant professor at the Department of Economics, Lingnan University. Her research interests center on health economics, behavioral economics, labor economics, and applied microeconometrics. She obtained a Ph.D. in Economics from the National University of Singapore.

Title: Decision fatigue in Physicians

Abstract:

We explore the consequences of physician's excessive workload from the perspective of decision fatigue—the decline in decision quality due to an increased number of patients and decisions. Leveraging an administrative dataset of over 250,000 emergency department visits, we find that an increased number of patients and medical decisions leads to decreased inpatient admission rates, fewer task orders, and shorter patient length of stay. Consequently, patient revisit rates increase. Furthermore, we observe that the observed negative consequences can be alleviated by accumulated medical experience.

Sojung HONG (Hanyang University)



Bio:

Sojung Hong is a Ph.D. candidate at Hanyang University. Her research interests include the economics of health and education, with a focus on public policies that impact these areas. Her current work explores the effects of near-cash transfers on infant health, using evidence from transportation subsidies in Seoul. She has professional experience, including roles as a Senior Researcher and Research Analyst at the Korea Institute of Public Finance (KIPF). She also worked as a Research Associate with the National Economic Advisory Council.

Title: The Effect of Near-Cash Transfers on Infant Health: Evidence from Transportation Subsidies in Seoul, South Korea

Abstract:

This study uses the sudden introduction of a policy as a natural experiment to analyze the causal effects of near-cash transfers on infant health. Using individual-level administrative data, the study finds that the implementation of a maternal transportation subsidy in Seoul led to a 5 percent decrease in the incidence of low birth weight overall and a 12 percent decrease for first-born children. These effects are particularly observed in relatively low-income areas and among non-working mothers. Furthermore, although the program is not a cash transfer, its effects appear to be similar to those of other cash transfer programs. These findings suggest that offering government support to pregnant women before childbirth, especially those with relatively low incomes, can significantly increase the likelihood of delivering healthy babies and contribute to mitigating inequality at birth.

Session VI:

You LEI (Lingnan University)



Bio:

I am a PhD student in the Department of Economics at Lingnan University, Hong Kong. My research primarily focuses on regulation and political economy under China's institutional setup. I share broad interests in investigating relations between institutions and economic development across countries and subnational regions.

Title: Market Access, Political Connections, and Firm Performance

Abstract:

Regulatory favour is often proposed as an important channel through which political connections shape firm performance. Yet, direct evidence on this channel remains elusive. This paper aims to provide causal evidence on how the effects of political connections interplay with changing regulatory environments. During 2016-2018, a wide-ranging reform was launched in China, which deregulated market access by specifying unified and equal requirements for all firms and removing discriminative restrictions, offering a unique opportunity to investigate this question. This paper focuses on China's publicly listed firms, measuring political connections based on the governmental work experience of board members and top executives and constructing a novel measurement for firm-level regulation intensity according to the firm's business scope. I leverage variations in both the timing of deregulation reform and the strength of political connections in a DID setup. My analysis indicates that (1) political connections are positively correlated with firm performance, especially when they are closely associated with government regulation, and (2) after the deregulatory reform, politically connected firms have been negatively affected in terms of productivity and innovation, while unconnected firms are not significantly influenced. These findings offer direct evidence that the effects of political connections depend crucially on the regulatory environment.

Sungeun PARK (Hanyang University)



Bio:

Sungeun Park is a graduate student at the College of Economics and Finance, Hanyang University, with broad research interests in Behavioral Finance and Market Microstructure, specifically focusing on individual investor behavior.

Title: The Impact of Gambling Attitude on Suicide

Abstract:

This paper examines the relationship between heightened gambling attitude in the stock market and daily suicide rates. Based on the findings that indicate a negative relation between the high maximum daily return (MAX) and expected stock returns for overvalued stock, we identify lottery-like stock characteristics. Then, based on those characteristics, we construct a gambling attitude index via Principal Component Analysis (PCA). Using stock market data and individual-level death records in South Korea on trading days from March 2000 to December 2022, our findings indicate that a one standard deviation increase in gambling attitude corresponds to a same trading day 1% increase in suicide rates.

Chae LEE (Hanyang University)



Bio:

Chae Lee is a Master's student in the College of Economics and Finance at Hanyang University. Her recent research focuses on the labor economics and economics of education, especially on the effects of various public policies on youth. She is currently involved as a research assistant on "The Effects of Exposure to a Large-Scale Recession on Higher Education and Early Labor Market Outcomes". In August 2024, she presented her research at the graduate student session of the Korean Labor Economics Association.

Title: Labor Market Consequences of Starting College in a Recession

Abstract:

This paper examines the impact of economic conditions at the time of college entry on subsequent labor market outcomes for college graduates. We exploit variation in regional unemployment rates within college entry cohorts, primarily driven by the unexpected and large-scale recession due to the Asian Financial Crisis in South Korea. Using data from the Korean Labor and Income Panel Study, we find that individuals who start their undergraduate studies in more adverse economic conditions have higher employment probabilities and earnings during the 10 years after graduation. Further analysis on activities during college and throughout their careers suggests that the primary channel for these improved labor market outcomes is increased effort to enhance job prospects. We also provide a theoretical framework based on ambiguity aversion to explain this pattern.