

## *International Conference*

# **The Asian Crisis:**

## The Economics Front

Seattle, Washington, U. S. A., December 29 – 30, 1998

- Organizers:** Kar-yiu Wong, University of Washington  
Richard Ho, City University of Hong Kong  
Chong K. Yip, Chinese University of Hong Kong
- Host:** Department of Economics, University of Washington
- Organizing Units:** Department of Economics, Chinese University of Hong Kong  
Faculty of Business, City University of Hong Kong  
College of Arts and Sciences, University of Washington
- Supporting Units:** Henry M. Jackson School of International Studies (with its Japan Studies Program,  
Korea Studies Program, and China Studies Program), University of Washington,  
U. S. A.  
Copenhagen Business School, Denmark  
Chung-Hua Institution for Economic Research, Taiwan  
Research Institute for Economics and Business Administration, Kobe University,  
Japan  
Department of Economics, McGill University, Canada  
Department of Finance & Accounting, National University of Singapore, Singapore  
Institute of Economics, Academia Sinica, Taiwan  
Department of Economics, University of Incheon, Korea  
*Review of International Economics*
- Local Organizers:** Kar-yiu Wong  
Haideh Salehi-Esfahani  
Theo Eicher  
Phil Brock  
Neil Bruce  
Debra Glassman  
Wen-Fang Liu  
Yi-Chi Chen  
Sweta C. Saxena  
Ming Chien Lo  
Geun Mee Ahn  
Gunsub Hyun



For a campus map, e-mail addresses of the participants, and downloadable copies of most papers in this program, please visit the following web site: <http://weber.u.washington.edu/~karyiu/>. Please also check out a paper by Sweta C. Saxena and Kar-yiu Wong, "Currency Crises and Capital Control: A Survey," and a manuscript entitled "The Asian Crisis: A Statistical Point of View," compiled by Ming Chien Lo and Kar-yiu Wong.

# Program

(tentative, as of 12/28/1998)

December 28, 1998

8:00 – 10:00 pm     **Welcome reception party**  
**Edmond Meany Hotel**

December 29, 1998

All sessions will be held at Room 239, Savery Hall, University of Washington.

8:00 – 8:40 am     **Registration**

8:40 – 9:00 am     **Welcome Session**

*Chair:* **Richard Startz**, University of Washington

**Chong K. Yip**, Chinese University of Hong Kong

**Anming Zhang**, City University of Hong Kong

**David Hodge**, University of Washington

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

9:00 – 10:30 am     **Session I: Currency Pegging and Monetary Policy**

*Chair:* **Ngo Van Long**, McGill University

**Koichi Hamada**, Yale University, “*Economic Consequences of Pegging to the Dollar in a Multicurrency World*”

*Discussant:* **Phil Brock**, University of Washington

**Taimur Baig**, University of Illinois, and **Ilan Goldfajn**, IMF, “*Monetary Policy in the Aftermath of Currency Crises: the Case of Asia*”

*Discussant:* **Debra Glassman**, University of Washington

**Michael B. Devereux**, Hong Kong University of Science and Technology, and University of British Columbia, “*A Tale of Two Currencies: The Asian Crisis and the Exchange Rate Regimes of Hong Kong and Singapore*”

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

10:30 – 10:45 am

Coffee Break

10:45 – 12:15 pm

## Session II: Crises in Indonesia and Taiwan

*Chair:* **T. J. Pempel**, University of Washington

**Valerie Cerra**, IMF, and **Sweta Chaman Saxena**, University of Washington, “*Contagion, Monsoons, and Domestic Turmoil in Indonesia: A Case Study in the Asian Currency Crisis*”

*Discussant:* **Cheng Hsiao**, University of Southern California

**Willem Thorbecke**, George Mason University, “*The Impact of the Indonesian Economic Crisis on Income Distribution: A Social Accounting Matrix Application*”

*Discussant:* **Mendes Vivaldo**, University of Lisbon

**Jin-Lung Lin**, **Sheng Cheng Hu**, and **Chung-Shu Wu**, Academia Sinica, and **Jia-Dong Shea**, Central Bank of Taiwan and Academia Sinica, “*The Asian Financial Crisis: A Comparative Analysis of the Taiwan Experience*”

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

12:15 – 2:00 pm

Lunch

2:00 – 3:30 pm

## Session III: Exchange Rate, Lending, and Crisis

*Chair:* **Neil Bruce**, University of Washington

**Robert Dekle**, **Cheng Hsiao**, and **Siyan Wang**, University of Southern California, “*Do High Interest Rates Stabilize Exchange Rates during Crisis?: The Korean Evidence*”

*Discussant:* **Yin-Wong Cheung**, University of California, Santa Cruz

**Jong-Wha Lee** and **Yong Jin Kim**, Korea University, “*Over-investment, Collateral Lending, and Economic Crisis*”

*Discussant:* **Tapan Munroe**, University of San Francisco

**Zhaohui Chen** and **Jorge Chan-Lau**, IMF, “*Financial Crisis and Credit Crunch as a Result of Inefficient Financial Intermediation – with reference to the Asian Financial Crisis*”

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

3:30 – 3:45 pm

Coffee Break

3:45 – 5:15 pm

## Session IV: Financial Markets and Leading Indicators

Chair: **Charles Nelson**, University of Washington

**Vincent Dropsy**, California State University at Fullerton, **André Cartapanis**, and **Sophie Mametz**, Université de la Méditerranée, “*Asian Currency Crises and Leading Indicators of Vulnerability and Unsubtainability*”

Discussant: **Leigh Anderson**, University of Washington

**Idanna Kaplan**, University of Washington, “*The Put Option Approach to Banking Crises in Emerging Markets: Valuing Implicit Deposit Insurance in Thailand*”

Discussant: **Sayed Hossian**, University Telekom of Malaysia

**Francis In**, Deakin University, **Sangbae Kim**, Deakin University, and **Jai Hyung Yoon**, Deakin University, “*An Empirical Analysis of East Asian Stock Market Crisis: Application of the Extended EGARCH Model*”

Discussant: **Eric Zivot**, University of Washington

6:30 – 8:30 pm

Dinner

December 30, 1998

9:00 – 10:30 am      **Session V: Real-Side Analysis of Crises**

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

**Ronald Findlay**, Columbia University, “*Asian Economic Crisis: Toward A Long-Run Real-Side Explanation*”

**Shuhe Li**, City University of Hong Kong, “*The Benefits and Costs of Relation-based Governance: An Explanation of the East Asian Miracle and Crisis*”

*Discussant:* **Neil Bruce**, University of Washington

**Kar-yiu Wong**, University of Washington, “*Housing Market Bubbles and Currency Crisis: The Case of Thailand*”

*Discussant:* **Chong K. Yip**, Chinese University of Hong Kong

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

10:45 – 12:15 pm      **Session VI: Investment, Economic Growth, and Crises**

*Chair:* **Edward Rice**, University of Washington

**Khang Min Lee**, National University of Singapore, and **Jim Storey**, University of British Columbia, “*The Asian Crisis: Business As Usual?*”

*Discussant:* **Young-Man Yoon**, University of Inchin

**Charles K. Leung**, Chinese University of Hong Kong, and **Chung-Yi Tse**, University of Hong Kong, “*Increasing Wealth and Increasing Instability*”

*Discussant:* **Kwan Choi**, Iowa State University

**Theo S. Eicher** and **Stephen Turnovsky**, University of Washington, “*International Capital Markets and Non-Scale Growth*”

*Discussant:* **Edwin Lai**, City University of Hong Kong

12:15 – 2:00 pm      **Lunch**

(to be continued on the next page)

2:00 – 3:30 pm

## **Session VII: Bailouts and Production Fluctuation**

*Chair:* **Cheng Hsiao**, University of Southern California

**Ngo Van Long**, McGill University, and **Huilan Tian**, McGill University, “*Bailouts, Endogenous Financial Regime, and Market Sentiments: The Role of Strategic Behavior*”

*Discussant:* **Anming Zhang**, City University of Hong Kong

**Wing-Fai Leung**, City University of Hong Kong, “*Myopic Expectation and Production Fluctuation*”

*Discussant:* **Haney Scott**, California State University, Chico

**Levis A. Kochin**, University of Washington, “*The Crises in Chile 1982 and in Asia Now*”

*Discussant:* **Zhaohui Chen**, IMF

3:30 – 3:45 pm

**Coffee Break**

End of the Conference