

***"Governments, Markets, and the Future of Capitalism"*****Conference Programme**

**Date:** December 14 - 17, 2006

**Venue:** Chinese University of Hong Kong, Shatin, Hong Kong

- Keynote Speakers:
- Professor Assaf RAZIN  
Bernard L. Schwartz Chair for the Study of Global Competitive Markets, Tel Aviv University and Friedman Professor of International Economics, Cornell University  
Title of talk: *"The Decline of the Welfare State: Political Economic Aspects"*
  - Professor Peter DIAMOND,  
Institute Professor, MIT  
Title of talk: *"Government and Markets in Pension Provision"*
  - Professor Lawrence J. LAU,  
Vice Chancellor, Chinese University of Hong Kong  
Title of talk: *"The Efficiency of Family-Controlled Firms"*
  - Professor Yew-Kwang NG,  
Professor of Economics, Monash University  
Title of talk: *"Towards an Internationally Acceptable National Success Indicator"*

The Hong Kong Economic Association is grateful to the Real Estate Developers Association of Hong Kong, the Sino Land Co. Ltd. and the Sun Hung Kai Properties Ltd. for generous donations in support of the fourth Biennial Conference.



香港可持續發展公民議會  
Hong Kong People's Council for Sustainable Development



香港經濟學會  
HONG KONG ECONOMIC ASSOCIATION

## **“Governments, Markets and Sustainable Development”**

An open forum jointly organized by

Hong Kong People's Council for Sustainable Development (PCSD)

and

Hong Kong Economic Association

**14 December 2006, 4:00 – 6:30 pm**

**Venue: LT3, Esther Lee Building, The Chinese University of Hong Kong**

**Shatin, Hong Kong**

(Medium: English)

While the concept of sustainable development – which is about a balanced consideration of economic, environmental and social influences during the course of development – has been around for decades, the question of whether the market indeed helps sustainable development, and the question of “Does the market help sustainable development? And how?” is still being asked nowadays. The Hong Kong People's Council for Sustainable Development (PCSD) and the Hong Kong Economic Association are honoured to have *Prof Yew-Kwang Ng*, a renowned scholar in welfare economics, *Mr Kwok-chuen Kwok*, Government Economist of HKSAR Government and *Prof Lok-Sang Ho*, President of the Hong Kong Economic Association, will share their views on this question.

**Topics:**                    ***“The Economics of Sustainable Development”***  
**Prof. Yew-kwang NG Professor of Economics, Monash University, Australia**

***“Market Framework for Sustainable Development?”***  
**Mr Kwok-chuen KWOK Government Economist, HKSAR Government**

***“Private-Public Partnership – is it happening?”***  
**Prof Lok-sang HO, President, Hong Kong Economic Association and Professor, Department of Economics, Lingnan University, Hong Kong**

Prof. Ng and Prof Ho will also launch their new book *Happiness and Public Policy: Theory, Case Studies and Implications* at the event.

This forum is a pre-conference event of the Hong Kong Economic Association Biennial Conference *Governments, Markets, and the Future of Capitalism*.

***Free Admission***

**Event Sponsor:**



Enquiry: Ms Salina Mou Tel: 8100 1119 Email: [secretariat@susdevhk.org](mailto:secretariat@susdevhk.org)  
Ms Rita Leung Tel: 9279 7344 Email: [ritaleung70@gmail.com](mailto:ritaleung70@gmail.com)

# Conference Schedule

Venue: Esther Lee Bldg., CUHK

December 14, 2006 (Thursday)

*Pre-conference Event*

- 16:00 – 18:30      Open Forum on “*Governments, Markets, and Sustainable Development*”  
Venue: LT3
- 18:30 – 19:30      Cocktail Reception  
Venue: 1/F., Lobby

December 15, 2006 (Friday)

*Keynote Speech and Concurrent Sessions*

- |             |   | Venue                            |
|-------------|---|----------------------------------|
| 08:30       | Registration  | Lobby of the ground floor        |
| 09:00-09:15 | Welcome and President’s Address                           | LT2                              |
| 09:15-10:45 | Keynote Speech I  | LT2                              |
| 10:45-11:15 | <i>Tea Break</i>  | 1/F., Lobby                      |
| 11:15-12:45 | Keynote Speech II   | LT2                              |
| 12:45-13:45 | <i>Lunch</i>  | <i>Chung Chi Student Canteen</i> |
| 13:45-15:45 | Concurrent Sessions (A-D)                                 | 206, 307, 308 & 405              |
| 15:45-16:00 | <i>Tea Break</i>  | 1/F., Lobby                      |
| 16:00-17:30 | Concurrent Sessions (E-G)                                 | 307, 308 & 306                   |
| 17:30-17:45 | Assemble and depart CUHK to Kwun Tong Pier by 17:40 sharp | Lobby of the ground floor        |
| 18:30-21:30 | <i>Victoria Harbour Cruise and Dinner Buffet Dinner</i>   |                                  |

December 16, 2006 (Saturday)

*Concurrent Sessions*

- |             |                           | Venue                          |
|-------------|---------------------------|--------------------------------|
| 09:00-11:00 | Concurrent Sessions (H-M) | 206, 305, 307, 306, 308 & 405  |
| 11:00-11:15 | <i>Tea Break</i>          | 1/F., Lobby                    |
| 11:15-12:45 | Concurrent Sessions (N-P) | 206, 307 & 308                 |
| 12:45-13:45 | <i>Lunch</i>              | <i>Chung Chi Staff Canteen</i> |
| 13:45-15:45 | Concurrent Sessions (Q-U) | 206, 302, 307, 308 & 305       |
| 15:45-16:00 | <i>Tea Break</i>          | 1/F., Lobby                    |
| 16:00-17:30 | Concurrent Sessions (V-Y) | 206, 302, 307, 308 & 305       |

December 17, 2006 (Sunday)

*Hong Kong Island Tour*

- 08:30 – 15:30      Tung Ping Chau and Tap Mun (Grassy Island) Boat Tour  
Assembly Point: “University” Station (KCR)  
The Group will leave University Station for the Pier at 8:45 a.m.

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# Conference Programme

## **Important Information & Phone contacts**

### Help information

Dr. Linda YUNG : 96411316

Mr Gary WONG : 90327504

### Registration

Ms. Ada YEUNG : 26167191

Ms. Ava AU : 26167190

# ***Pre-conference Event***

**December 14, 2006 (Thursday)**

*4:00 – 6:30 pm*

**Venue: LT3, Esther Lee Building, The Chinese University of Hong Kong**

*Open forum*

## **“Governments, Markets and Sustainable Development”**

Event Sponsor: CLP

Organizers: Jointly organized by Hong Kong People's Council for Sustainable Development (PCSD) and Hong Kong Economic Association (HKEA)

- ***“The Economics of Sustainable Development”***  
Prof. NG, Yew Kwang, Professor of Economics  
Monash University, Australia
  
- ***“Market Framework for Sustainable Development?”***  
Mr KWOK, Kwok Chuen  
Government Economist, HKSAR Government
  
- ***“Private-Public Partnership – is it happening?”***  
Professor HO, Lok Sang  
President, Hong Kong Economic Association and Professor, Department of Economics, Lingnan University, Hong Kong

Prof. Ng and Prof Ho will also launch their new book *Happiness and Public Policy: Theory, Case Studies and Implications* at the event.

# **Official Welcome & Keynote Speeches**

**December 15, 2006 (Fri)**

*Time: 09:00-09:15*

Venue: LT2, Esther Lee Building, The Chinese University of Hong Kong

## **Welcome and President's Address**

Professor Lok Sang HO  
President, Hong Kong Economic Association  
Lingnan University

*Time: 09:15-10:45*

## **Keynote Speech I**

1. Professor RAZIN, Assaf  
Bernard L. Schwartz Chair for the Study of Global Competitive Markets,  
Tel Aviv University and Friedman Professor of International Economics,  
Cornell University  
Title of talk: *"The Decline of the Welfare State: Political Economic Aspects"*
2. Professor DIAMOND, Peter  
Institute Professor, MIT.  
Title of talk: *"Government and Markets in Pension Provision"*

*Time: 11:15-12:45*

## **Keynote Speech II**

3. Professor. LAU, J. Lawrence  
Vice Chancellor, Chinese University of Hong Kong.  
Title of talk: *"The Efficiency of Family-Controlled Firms"*
4. Professor NG, Yew Kwang  
Professor of Economics, Monash University.  
Title of talk: *"Towards an Internationally Acceptable National Success Indicator"*

# Concurrent Sessions

**December 15, 2006 (Fri)**

*Time: 13:45-15:45*

## **Session A: East Asian Economies**

*Organizer: HKEA*

Venue: 206, Esther Lee Building, The Chinese University of Hong Kong

Chair: LI, Ke (Nihon University)

- (1) *“Are Bank-Centric Views (BCVs) of the East Asian Crisis for Real?: An Empirical Fitting”*  
GHAZALI, Noor Azlan (Universiti Kebangsaan Malaysia)
- (2) *“The Competitive Effects of Liberalization: Evidences from Hong Kong Loan Market”*  
HO, Chun Yu (Boston University)
- (3) *“Financial Integration in East Asian Equity Markets”*  
LI, Ke (Nihon University), Jing CHI and Martin YOUNG (Massey University)
- (4) *“The Determinants of International Financial Integration”*  
VO, Xuan Vinh (The University of New South Wales)

## **Session B: Exchange Rate and Monetary Policy in China**

*Organizer: Jointly by Lingnan University, Hong Kong Baptist University and Hong Kong Institute for Monetary Research (Yue MA, Shu Ki TSANG & Matthew YIU)*

Venue: 307, Esther Lee Building, The Chinese University of Hong Kong

Chair: MA, Yue (Lingnan University)

- (5) *“A Decade of Flow of Funds in China (1995-2005)”*  
LIN, Guijun (University of International Business and Economics, Beijing) &  
Ronald M. SCHRAMM (Columbia University)
- (6) *“Sterilization and Excess Reserves in China”*  
MA, Yue (Lingnan University) & Shu Ki TSANG (Hong Kong Baptist University)
- (7) *“How Efficient has been China’s Investment? Empirical Evidence from National and Provincial Data”*  
HE, Dong, and Wenlang ZHANG (Economic Research Division, Research Department,  
Hong Kong Monetary Authority)



## **December 15, 2006 (Fri)**

*Time: 13:45-15:45*

### **Session C: Labour Economics I**

*Organizer: The Chinese University of Hong Kong (Junsen ZHANG)*

Venue: 308, Esther Lee Building, The Chinese University of Hong Kong

Chair: ZHANG, Junsen (The Chinese University of Hong Kong)

- (8) *"Computer Usage, Destination Language Proficiency and the Earnings of Natives and Immigrants"*  
CHISWICK, Barry R. (University of Illinois at Chicago and IZA) and Paul W. MILLER (University of Western Australia)
- (9) *"Gender, Ethnic Identity and Work"*  
ZIMMERMANN, Klaus F. (IZA and University of Bonn), Amelie CONSTANT and Liliya GATAULLINA
- (10) *"Where the Boys No Longer Are: Recent Trends in U.S. College Enrollment Patterns"*  
ANDERSON, Patricia M. (Dartmouth College)
- (11) *Guilt and the Allocation of Resources: Sophie's Choice and its Aftermath during the Cultural Revolution*  
LI, Hongbin (Chinese University of Hong Kong), Mark ROSENZWEIG (Yale University) and Junsen ZHANG (CUHK)

### **Session D: Open-Economy Macroeconomics**

*Organizer: The University of Hong Kong (Chi Wa YUEN)*

Venue: 405, Esther Lee Building, The Chinese University of Hong Kong

Chair: YUEN Chi Wa (The University of Hong Kong)

- (12) "Adaptive Learning and Monetary Policy"  
CHEN, Yu Chin (University of Washington-Seattle) and Pisut KULTANAVIT (University of Washington-Seattle)
- (13) "A Currency Board Model with Application to Hong Kong"  
CHENG, Leonard (Hong Kong University of Science and Technology) & Zihui MA (Renmin University of China)
- (14) "Foreign Direct Investment and Foreign Portfolio Investment: Theory and Empirics"  
RAZIN, Assaf (Cornell University & Tel Aviv University), Itay GOLDSTEIN & Hui TONG
- (15) "The Credit Channel in a Small Open Economy: Some VAR Evidence"  
FUNG, Ben (Bank of Canada)

## **December 15, 2006 (Fri)**

*Time: 16:00-17:30*

### **Session E: Democratization, Corruption and Economic Growth**

*Organizer: University of Western Australia (Yanrui WU)*

Venue: 307, Esther Lee Building, The Chinese University of Hong Kong

Chair: WU, Yanrui (University of Western Australia)

- (16) *"The Making of A Miracle: Corruption and Economic Growth in East Asia"*  
ALI, Nasrul (University of Western Australia)
- (17) *"ICT, Productivity and Economic Growth in China"*  
WU, Yanrui (University of Western Australia)
- (18) *"Does Rapid Economic Growth Accelerate Democratization? Time Series Evidence from High Performing Asian Economies"*  
TANG, Sam Hak Kan (University of Western Australia) & Linda Chor Wing YUNG (Chinese University of Hong Kong)

### **Session F: Development Economics**

*Organizer: The Chinese University of Hong Kong (Junsen ZHANG)*

Venue: 308, Esther Lee Building, The Chinese University of Hong Kong

Chair: ZHANG, Junsen (The Chinese University of Hong Kong)

- (19) *"The Optimal Currency Basket with Input Currency and Output Currency"*  
SHI, Kang (The Chinese University of Hong Kong) and Juanyi XU (Hong Kong University of Science and Technology)
- (20) *"An Analysis of Rural-Urban Wage Differentials in a Time of Crisis"*  
TOCHE, Patrick (University of Macau)
- (21) *"One Country Two Systems"? Are China's Coastal and Interior Economies Becoming More Similar or Divergent?"*  
ZHANG, Yifan (Lingnan University)

**December 15, 2006 (Fri)**

*Time: 16:00-17:30*

**Session G: Aging and Poverty**

*Organizer: HKEA*

Venue: 306, Esther Lee Building, The Chinese University of Hong Kong

Chair: CHIA, Ngee Choon (National University of Singapore)

(22) *“Financing Long-Term Care from Reverse Mortgages For “Asset-rich and Cash-poor” Singaporeans”*

CHIA, Ngee Choon & Albert K. C. TSUI (National University of Singapore)

(23) *“The Role of American and Chinese Governments in the Making Anti-Poverty Policies”*

HONG, Z. George (Purdue University Calumet)

(24) *“A Computable Overlapping Generation Model (OLG) of the Chinese Pension Reform”*

YI, Xin (The University of New South Wales)

## **December 16, 2006 (Sat)**

*Time: 09:00-11:00*

### **Session H: Corporate Governance, Business Ethics, and Sustainability**

*Organizer: HKEA*

Venue: 206, Esther Lee Building, The Chinese University of Hong Kong

Chair: SIM, Ah Boon (The University of New South Wales)

- (25) *“Governance and Profitability Around the World”*  
SIM, Ah Boon, Vince HOOPER and Asfandyar UPPAL (The University of New South Wales)
- (26) *“Business Ethics and the Future of Capitalism”*  
SNELL, Robin Stanley (Lingnan University)
- (27) *“Share Issue Privatization in China: Theory and Evidence - Change of Control Matters”*  
XIAO, Sheng (Furman University)
- (28) *“Governments, Markets and Sustainability”*  
DEWAN, Hasnat (Thompson Rivers University)

### **Session I: China's Financial Integration with the Global Market**

*Organizer: The University of Hong Kong (Yin Wong CHEUNG)*

Venue: 305, Esther Lee Building, The Chinese University of Hong Kong

Chair: CHEUNG, Yin Wong (The University of Hong Kong)

- (29) *“Outward Portfolio Investment From Mainland China: How Much Do We Expect And How Large A Share Can Hong Kong Expect To Capture?”*  
CHEUNG, Lillian, Kevin CHOW, Jian CHANG and Unias LI (Economic Research Division, Research Department, Hong Kong Monetary Authority)
- (30) *“Does the Chinese Interest Rate Follow the US Interest Rate?”*  
CHEUNG, Yin Wong (The University of Hong Kong) & Dickson TAM and Matthew S. YIU (Hong Kong Institute for Monetary Research)
- (31) *“Do China's Capital Controls Still Bind?”*  
MA, Guonan & Robert N. McCAULEY (Representative Office for Asia and the Pacific, Bank for International Settlements)

## **December 16, 2006 (Sat)**

*Time: 09:00-11:00*

### **Session J: Game Theory**

*Organizer: The University of Hong Kong (Kim Sau CHUNG)*

Venue: 307, Esther Lee Building, The Chinese University of Hong Kong

Chair: CHUNG, Kim Sau (The University of Hong Kong)

- (32) *"Asymmetric Information about Rivals' Types in Standard Auctions: an Experiment"*  
KIM, Jinwoo (Yonsei University, Korea)
- (33) *"Belief Operators in a Universal Space"*  
LUO, Xiao (Academia Sinica, Taiwan)
- (34) *"The No Trade Principle in General Environments"*  
NG, Manchung (Academia Sinica, Taiwan)

### **Session K: Macroeconomic Policy**

*Organizer: HKEA*

Venue: 306, Esther Lee Building, The Chinese University of Hong Kong

Chair: KURIHARA, Yutaka (Aichi Univeristy)

- (35) *"Has Inflation Targeting Been Effective in Overcoming Inflation?"*  
KURIHARA, Yutaka (Aichi Univeristy)
- (36) *"Understanding the External Imbalance in China: A Structural Perspective"*  
ZHANG Liqing (Central University of Finance and Economics, Beijing)
- (37) *"Velocity of Money, Equilibrium (In)determinacy and Endogenous Growth"*  
CHEN, Shu Hua (Shih Chien University, Taiwan) & GUO, Jang Ting (University of California)
- (38) *"Macroeconomics Impacts of Terrorism; Evidence from the Post-Suharto Indonesia"*  
SUZUKI, Tomoya (Ryukoku University)

## **December 16, 2006 (Sat)**

*Time: 09:00-11:00*

### **Session L: Political Institution, Government Behavior and Welfare of Nations**

*Organizer: Hong Kong Baptist University (Pak Hung MO)*

*Venue: 308, Esther Lee Building, The Chinese University of Hong Kong*

*Chair: MO, Pak Hung (Hong Kong Baptist University)*

(39) *“Systems Competition. Kinds, Interrelationships and Consequences for Capitalism”*  
BERNHOLZ, Peter (University of Basel)

(40) *“Constitutional Democracy, Representation, and Governance?”*  
HO, Lok Sang (Lingnan University)

(41) *“A Political System Serving for the Universal Interest”*  
MO, Pak Hung (Hong Kong Baptist University)

(42) *“The Diffusion of Public Sector Reforms - Empirical Evidence from Swiss Data on the New Public Management”*  
REBER, Kilian (University of Basel)

### **Session M: Labour Economics II**

*Organizer: Lingnan University (Simon FAN)*

*Venue: 405, Esther Lee Building, The Chinese University of Hong Kong*

*Chair: FAN, Simon (Lingnan University)*

(43) *“The Economic Determinants of Ethnic Assimilation”*  
CHISWICK, Carmel U. (University of Illinois at Chicago)

(44) *“Seasonal Migration: Theory and Evidence from Poland”*  
FAN, Simon (Lingnan University)

(45) *“‘Soft’ Skills, ‘Hard’ Skills, and the Black/White Pay Gaps”*  
WEI, Xiangdong (Lingnan University), Simon C. FAN (Lingnan University) and  
Junsen ZHANG (The Chinese University of Hong Kong)

(46) *The Currency Evaluation of the Unpaid Work in Korea, 2004”*  
KWON, Taehee (Sungkyunkwan University)

## **December 16, 2006 (Sat)**

*Time: 11:15-12:45*

### **Session N: Exchange Rate Issues in Asia**

*Organizer: The University of Hong Kong (Yin Wong CHEUNG)*

Venue: 206, Esther Lee Building, The Chinese University of Hong Kong

Chair: CHEUNG, Yin Wong (The University of Hong Kong)

- (47) *“The Overvaluation of Renminbis Undervaluation”*  
FUJII, Eiji (University of Tsukuba), CHEUNG, Yin Wong (The Santa Cruz & University of Hong Kong), Menzie D. CHINN (University of Wisconsin)
- (48) *“Real Exchange Rates and Productivity: Evidence From Asia”*  
KAKKAR, Vikas & Isabel Kit-Ming YAN (City University of Hong Kong)
- (49) *“Effective Exchange Rates in Asia with Entrep and Growing Intra-regional Trade”*  
MA, Guonan, San Sau FUNG, Marc KLAU and Robert N. McCAULEY  
(Representative Office for Asia and the Pacific, Bank for International Settlements)

### **Session O: Exchange Rates and Capital Flows**

*Organizer: HKEA*

Venue: 307, Esther Lee Building, The Chinese University of Hong Kong

Chair: ZHANG, Zhiwei (International Monetary Fund)

- (50) *“Do Asian Investors Rebalance their Portfolios?”*  
GARCIA-HERRERO, Alicia (Bank for International Settlements)& Akiko TERADA-HAGIWARA (Bank of Japan)
- (51) *“Evolution of Dollar/Euro Exchange Rate before and after the Birth of Euro and Policy Implications”*  
WONG, Wing Keung (National University of Singapore) & Heng CHEN (National University of Singapore) and Dietrich K. FAUSTEN (Monash University)
- (52) *“Collateral Damage: Exchange Controls and International Trade”*  
ZHANG, Zhiwei (International Monetary Fund)

**December 16, 2006 (Sat)**

*Time: 11:15-12:45*

**Session P: Privatization and Property Rights**

*Organizer: HKEA*

Venue: 308, Esther Lee Building, The Chinese University of Hong Kong

Chair: LIN, Chen (Lingnan University)

(53) *“An Analysis on The Ownership, Productivity & Growth Factor of Chinese Industry”*  
LI, Shuangjie (Beijing University of Technology)

(54) *“State Control, Partial Privatization and Managerial Incentives: Evidence from China”*  
LIN, Chen (Lingnan University)

(55) *“The Property-Rights-Based Asset Pricing”*  
LU, Galileo (Sun Yat-Sen University)



## **December 16, 2006 (Sat)**

*Time: 13:45-15:45*

### **Session Q: Monetary Conditions and Monetary Policy**

*Organizer: Lingnan University (Lok Sang HO)*

Venue: 206, Esther Lee Building, The Chinese University of Hong Kong

Chair: HO, Lok Sang (Lingnan University)

- (56) “*Financial Conditions Indexes for Canada*”  
GRAHAM, Christopher (Bank of Canada), Celine GAUTHIER & Ying LIU
- (57) “*An Augmented Monetary Condition Index: Preliminary Results and Implications on Global Imbalance*”  
HO, Lok Sang (Lingnan University)
- (58) “*A Monetary Conditions Index for Mainland China*”  
PENG, Wensheng & Frank LEUNG (Hong Kong Monetary Authority)

### **Session R: Behaviour and Welfare**

*Organizer: HKEA*

Venue: 302, Esther Lee Building, The Chinese University of Hong Kong

Chair: LU, Jingfeng (National University of Singapore)

- (59) “*Auctions Design with Private Costs of Valuation Discovery*”  
LU, Jingfeng (National University of Singapore)
- (60) “*Communication and Coordination in the Laboratory Collective Resistance Game*”  
MUI, Vai Lam (Monash University) & Timothy N. CASON (Purdue University)
- (61) “*Second Degree Pareto Dominance and Related Binary Relations*”  
THON, Dominique (Bodø Graduate School of Business) & Ronny ABOUDI (University of Miami)

## **December 16, 2006 (Sat)**

*Time: 13:45-15:45*

### **Session S: Regulation, Managerial Pay, and Efficient Corporate Behavior**

*Organizer: California State University (Robert Haney SCOTT)*

Venue: 307, Esther Lee Building, The Chinese University of Hong Kong

Chair: SCOTT, Robert Haney (California State University)

(62) *“A Four Factor Mode of Stock Market Returns: Testing Corporate Decisions”*

LAM, Keith (University of Macau)

(63) *“Managerial Pay in Production Theory”*

SCOTT, Robert Haney (California State University)

(64) *“Connected Transactions and Firm Valuations: Evidence from Connected Transactions of HK Listed Mainland Companies”*

SONG, Frank (The University of Hong Kong) & Adrian C. H. LEI

### **Session T: Growth and Productivity in China**

*Organizer: The Hong Kong Polytechnic University (Harry WU)*

Venue: 308, Esther Lee Building, The Chinese University of Hong Kong

Chair: WU, Harry (The Hong Kong Polytechnic University)

(65) *“How productive is Chinese industry?”*

WU, Harry & Xinpeng, XU (The Hong Kong Polytechnic University) and Wing Thye WOO (University of California)

(66) *“Can China's Growth be Sustained? A Productivity Perspective”*

ZHENG, Jinghai (Gothenburg University) & Arne BIGSTEN

**December 16, 2006 (Sat)**

*Time: 13:45-15:45*

**Session U: Capital Market & Labor Market Interaction**

*Organizer: City University of Hong Kong (Charles LEUNG)*

Venue: 305, Esther Lee Building, The Chinese University of Hong Kong

Chair: LEUNG, Charles Ka Yui (City University of Hong Kong )

(67) *“Credit Market Frictions, Human Capital and Economic Growth”*

HO, Patrick & Yong WANG (City University of Hong Kong)

(68) *“Co-movements of Real Estates”*

LEUNG, Charles Ka Yui (City University of Hong Kong ) & Patrick CHEUNG (The Chinese University of Hong Kong)

(69) *“The Role of Regulation and Welfare in the Rise of the Service Economy”*

NGAI, Rachel & Chris PISSARIDES (London School of Economics)

## **December 16, 2006 (Sat)**

*Time: 16:00-17:30*

### **Session V: R&D, Technology, and Investment**

*Organizer: HKEA*

Venue: 206, Esther Lee Building, The Chinese University of Hong Kong

Chair: LI, Kui Wai (City University of Hong Kong)

- (70) *"Location and Technology Strategy in Outward Investment"*  
CHU, Hsiao Lei (National Tsing Hua University)
- (71) *"An Analysis of Technical Progress and Efficiency in China's Post-Reform Economy"*  
LI, Kui Wai (City University of Hong Kong), Tung LIU & Lihong YUN
- (72) *"Cost-reducing R&D by Multiproduct Firms"*  
LIN, Ping (Lingnan University)

### **Session W: Urbanization and Growth**

*Organizer: HKEA*

Venue: 302, Esther Lee Building, The Chinese University of Hong Kong

Chair: CHEUNG, Francis K. (The Chinese University of Hong Kong)

- (73) *"Business Cycles, Housing Prices and Land Sale Policies"*  
CHEUNG, Francis K. (The Chinese University of Hong Kong) & Shawn NI  
(University of Missouri)
- (74) *"Growth and Wages in Search Unemployment"*  
TOCHE, Patrick (University of Macau)
- (75) *"An Industrialization and Urbanization Model under Urban-rural Dual Structure and Economic Transition"*  
ZHAO, Hongjun (Shanghai Institute of Foreign Trade and Fudan University)

## **December 16, 2006 (Sat)**

*Time: 16:00-17:30*

### **Session X: Markets, Industries, and Regional Development in China**

*Organizer: HKEA*

Venue: 307, Esther Lee Building, The Chinese University of Hong Kong

Chair: WU, Shih Ying (National Tsing Hua University)

- (76) *“Fiscal Decentralization and Multinational Entry Mode in China”*  
WU, Shih Ying (National Tsing Hua University) & Mei-Jane TENG (National Chin-Yi Institute of Technology)
- (77) *“Price Wars and rice Collusions: The Case of China’s Airline Market”*  
ZHANG, Shane Yahua (University of South Australia)
- (78) *“Manufacturing Foreign Direct Investment (FDI) in China: Why and where it occurs?”*  
ZUO, Alec Zhi (University of South Australia)

### **Session Y: Search Theory and Macroeconomics**

*Organizer: City University of Hong Kong (Charles LEUNG)*

Venue: 308, Esther Lee Building, The Chinese University of Hong Kong

Chair: LEUNG, Charles Ka Yui (City University of Hong Kong)

- (79) *“Education Policy with Constrained Agents and Random Robbery”*  
LEUNG, Charles Ka Yui (City University of Hong Kong) & Nelson Chun Sing LEE
- (80) *“Learning Spillovers and Industrial Diversity in Urban Growth”*  
TSE, Chung Yi (The University of Hong Kong)
- (81) *“Housing Markets with Competitive Search”*  
ZHANG, Jun (The Chinese University of Hong Kong) & Charles Ka Yui LEUNG (City University of Hong Kong)

## ***Biography of Speakers***

### **Professor Assaf RAZIN**

**Bernard L. Schwartz Chair for the Study of Global Competitive Markets, Tel Aviv University and Friedman Professor of International Economics, Cornell University**

Professor Assaf Razin got his Ph.D. from the University of Chicago in 1969 and is now the Bernard L. Schwartz Chair Professor for the Study of Global Competitive Markets, Tel Aviv University; and The Friedman Professor of International Economics, Cornell University. He is also a Fellow of the Econometric Society. His Scholarly books include: Elhanan Helpman and Assaf Razin, A theory of international trade under uncertainty Academic Press, 1978; (with Jacob Frenkel), Fiscal Policies and the World Economy MIT Press, 1987(also in Japanese and in Spanish); Third Edition 1996 with Chi-Wa Yuen; (with Jacob Frenkel and Efraim Sadka) International Taxation in an Integrated World (January 1992) MIT Press; (with Efraim Sadka) The Economy of Modern Israel: Malaise and Promise, University of Chicago Press (with Efraim Sadka) Population Economics, MIT Press 1995; (with Efraim Sadka) Labor Capital and Finance: International Flows, Cambridge University Press 2001, (with Efraim Sadka) The Decline of the Welfare State: Aging and Globalization MIT Press, 2005. His forthcoming book is (with Efraim Sadka), Foreign Direct Investment: Analysis of Aggregate Flows, Princeton University Press, 2007

### **Professor Peter DIAMOND**

**Institute Professor, MIT**

Professor Peter Diamond is an Institute Professor and professor of economics at MIT where he has taught since 1966. He has been President of the American Economic Association, of the Econometric Society, and of the National Academy of Social Insurance. He is a Fellow of the American Academy of Arts and Sciences and a Member of the National Academy of Sciences. He has written on behavioral economics, public finance, social insurance, uncertainty and search theories, and macroeconomics. He has consulted about social security to the World Bank and has written about social security in Chile, China, France, Germany, Italy, the Netherlands, Spain, Sweden and the UK as well as the US. His recent books include Taxation, Incomplete Markets and Social Security, Social Security Reform, and Saving Social Security: A Balanced Approach (with Peter R. Orszag).

### **Professor Lawrence J. LAU**

**Vice Chancellor, Chinese University of Hong Kong**

Professor Lawrence J. Lau, Vice-chancellor of the Chinese University of Hong Kong, was Kwoh-Ting Li Professor of Economic Development, Stanford University since 1992. His specialized fields are Economic Theory, Economic Development, Economic Growth, and the Economies of East Asia, including China. He has served and continues to serve on editorial boards of numerous professional economics journals. He is the author or editor of five books. Professor Lau has served as a consultant for the World Bank, the Asian Development Bank, the RAND Corporation, the United Nations Development Programme, Capital International, Inc., Citibank, N.A., the International Commercial Bank of China, and numerous other public and private organizations.

**Professor Yew-Kwang NG**

**Dept. of Economics, Monash University, Australia**

Prof. Ng graduated with a B.Com. from Nanyang University (Singapore) in 1966 and a Ph.D. from Sydney University in 1971. He has been a fellow of the Academy of Social Sciences in Australia since 1980. He is best known for his work in welfare economics. He has published more than 150 refereed papers in Economics and a dozen in biology, mathematics, philosophy, psychology and sociology. Books published include *Mesoeconomics: A Micro-Macro Analysis* (1986), *Social Welfare and Economic Policy* (1990), *Specialization and Economic Organization* (1993, with X. Yang), *Efficiency, Equality, and Public Policy: With a Case for Higher Public Spending* (2000), and *Welfare Economics: Towards A Complete Analysis* (2004). He also co-edited *Increasing Returns and Economic Analysis* with Nobel Laureate K. Arrow and X. Yang.

**Mr. KC KWOK, BBS, JP**

**Government Economist for the Hong Kong SAR Government**

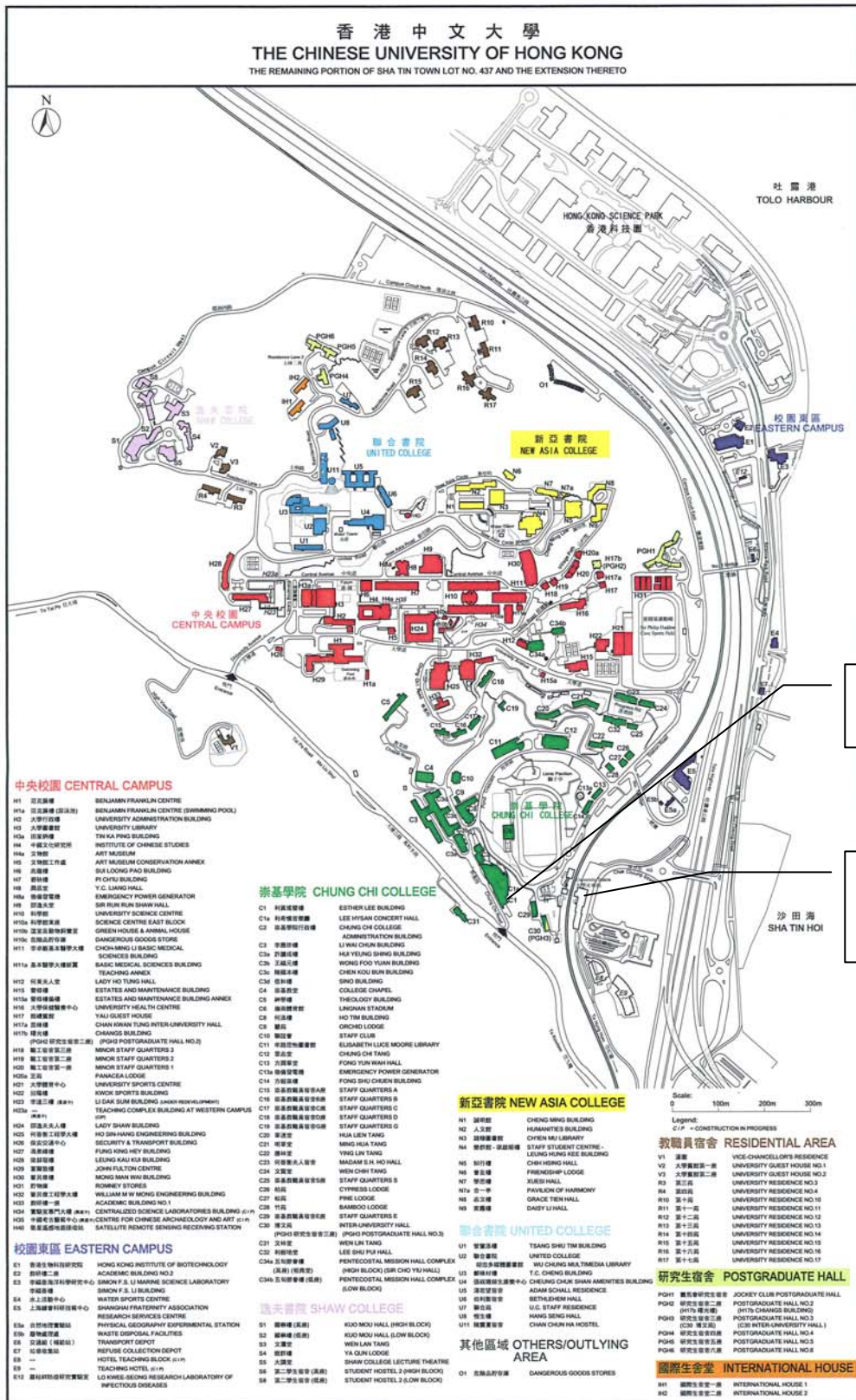
KC Kwok is the Government Economist for the Hong Kong SAR Government since Oct 2004. His job includes providing macroeconomic analysis, economic assessment of government policies, and spearheading business facilitation initiatives through reviewing regulatory regimes and licensing procedures. Before taking up the post of Government Economist, he was the Regional Chief Economist of Standard Chartered Bank for the East Asia region, and a Senior Economist of HSBC. Mr Kwok was also an active member of chambers of commerce when he worked in the private sector, and served as the Honorary Economist of the British Chamber of Commerce in Hong Kong. Mr Kwok has also served on a wide range of committees and boards, covering areas such as planning, housing, trade and industry, technology and research, education and environment.

**Professor Lok-sang HO**

**Professor of Economics, Lingnan University, Hong Kong**

Prof. Ho, currently President of the Hong Kong Economic Association and a veteran policy analyst, has research interests covering international monetary and financial issues, health economics, housing, social security, labour markets, economics of law and public order, and macroeconomics. He is the author of *Principles of Public Policy Practice and Health Care Financing and Delivery: A Model for Reform*, and has published over 80 academic papers in journals and book chapters, including *Contemporary Economic Policy*, *Policy Sciences*, *Urban Studies*, *Regional Studies*, *Social Science and Medicine*, *Journal of Socio Economics*, *World Economy*, *Journal of International Economics*, *Pacific Economic Review*, and *Industrial and Labor Relations Review*. A Councillor with the PCSD, Prof. Ho is also on the Advisory Council of the Hong Kong Institute of Monetary Research, and had served as a member of HK Committee of the Pacific Economic Cooperation Council (PECC), the Central Policy Unit with the Hong Kong SAR Government, and the Health Services Research Committee under the Hospital Authority.

# Map





# ***Transportation Advice***

## *Hotels in Shatin & Guest-houses at The Chinese University of Hong Kong*

Take Airport Express one stop to Tsing-Yi and take Taxi for destinations at Chinese University or Royal Park Hotel in Shatin.

## *Hotels in Kowloon*

Take Airport Express to Kowloon Station and take taxi for the Royal Plaza Hotel or the Harbor Plaza Metropolis.

## *The Chinese University of Hong Kong*

### **Hong Kong Island**

Recommended Route : Take [MTR](#) and change to [KCR](#) in Kowloon Tong to station "University".

### **Kowloon**

Recommended Route : Take [MTR](#) (you may have to change at Mongkok or Prince Edward depending on where you come from) and change to [KCR](#) in Kowloon Tong or Tsim Sha Tsui. If you are at somewhere near Tsim Sha Tsui, Hung Hom, Mong Kok and Kowloon Tong, you may take the [KCR](#) directly to station "University".

### **New Territories**

Recommended Route : Take [KCR](#) to station "University".

### **Lo Wu**

Recommended Route : Take [KCR](#) to station "University".

Source: [http://mmlab.itsc.cuhk.edu.hk/cm/campusmap/campusmap\\_b5.html](http://mmlab.itsc.cuhk.edu.hk/cm/campusmap/campusmap_b5.html)

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