

The 8th Biennial Conference of Hong Kong Economic Association
13 – 14 December 2014
Shandong University

Conference Programme

Day 1: Saturday, 13 December 2014

- 8:30 – Registration
- 9:00 – 9:15 Opening Remark, Ping Lin, President of the Hong Kong Economic Association
Welcome Remark, Rong Zhang, President of Shandong University
- 9:15 – 10:05 ***Opening Address***, Avinash Dixit, Princeton University
“How Business Community Institutions Can Help Fight Corruption”
(Venue: ZX C312)
Chairman: Ping Lin, Lingnan University
- 10:05-10:20 Photo-taking (Venue: the front area of Block B, Zhixin Complex)
- 10:15 – 10:30 Tea break (Venue: lobby on the third floor of Block B, Zhixin Complex)
- 10:30 – 12:15 Parallel Sessions
- Session 1A **Innovation, Productivity and International Trade** (Venue: ZX B305)
(Organizer: The University of Hong Kong)
Chairman: Larry Dongxiao Qiu
1. “Non-Neutral Technology and Labor Demand: Firm-Level Evidence”, Hongsong Zhang, The University of Hong Kong
 2. “Agency Problems, Trade Liberalization, and Within-Firm Productivity Gains: Theory and Evidence”, Cheng Chen, The University of Hong Kong
 3. “Intermediate Input Imports and Innovation: Evidence from China”, Larry Dongxiao Qiu, The University of Hong Kong
- Session 1 B **Education** (Venue: ZX B307)
Chairman: Bing Ye
1. “Economic Returns to Educational Expansion in Hong Kong”, Dongshu Ou, The Chinese University of Hong Kong

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2. “Mismatch in China’s College Admission”, Xiaohan Zhong, Tsinghua University
3. “Competition, Peer Effects and Students Performance in Universities: Results from China”, Bing Ye, Zhejiang University

Session 1C **Banking and Insurance**

(Venue: ZX B309)

Chairman: Zhiyong John Liu

1. “Using Weighted Shapley Values to Measure Banks’ Systemic Risk”, Junshan Lin, Shandong University
2. “Professional Connections between Firm and Bank: How Do They Impact Relationship Banking?”, Yuejuan Yu, Shandong University
3. “Asymmetric Beta Comovement”, Qunzi Zhang, Shandong University
4. “Competition and Corporate Demand for Insurance: Theory and Evidence”, Zhiyong John Liu, Indiana State University

Session 1D **Property Rights and Regulation**

(Venue: ZX B311)

Chairman: Jianyu Yu

1. “Bidding for Property Rights”, Siguang Li, Southwest University of Economics and Finance
2. “Does Environmental Regulation Drive away Inbound Foreign Direct Investment? Evidence from a Quasi-Natural Experiment in China”, Mingqin Wu, South China Normal University
3. “Minimum Wages and Firm Employment: Evidence from China”, Gewei Wang, The Chinese University of Hong Kong
4. “Food Safety Crisis, Coordination and Law Enforcement - A Study of the Food Safety Regulation in China”, Jianyu Yu, Southwestern University of Finance and Economics

12:20 – 13:20 Lunch (Venue: Sunshine Hall, University Hotel, 1/F,
Shandong University)

13:30 – 14:50 Parallel Sessions

Session 2A **Labour**

(Venue: ZX B305)

Chairman: Chun-Kai Wang

1. “Factor Substitution and Labor Market Friction in the U.S.:1948-2012”, Mingming Jiang, Shandong University

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Chairman: Jie Zheng

1. “Broadband Internet and Regulation in China: Is There a Need for Network Neutrality Rules?”, Hairong Mu, Harper Adams University
2. “Competitive Pricing Strategies in Social Networks”, Junjie Zhou, Shanghai University of Finance and Economics
3. “First Mover Advantage vs. Price Advantage: Network Effects in the Competition between Proprietary and Open Source Software”, Jie Zheng, Tsinghua University

14:50 – 16:10 Parallel Sessions

Session 3A **Housing Market** (Venue: ZX B305)

Chairman: Zhiwei Tian

1. “Non-Recourse Mortgage and Housing Price Boom, Bust, and Rebound”, Te Bao, University of Groningen
2. “The impact of China’s Housing Provident Fund on Housing Investment and Consumption: Evidence from the Chinese Household Finance Survey”, Mingzhe Tang, Shandong University
3. “The Analysis of Evolution of Urban Residents’ Income Distribution Impact of the VAT and the Business Tax in China”, Zhiwei Tian, Shanghai University of Finance and Economics

Session 3B **Health and Aging** (Venue: ZX B307)

Chairman: Yigang Zhang

1. “The Long-term Impact of an Early Career Recession on Health and Health-related Behaviors”, Naijia Guo, The Chinese University of Hong Kong
2. “Fiscal Decentralization and China’s Regional Infant Mortality Frontier”, Yinghua Jin, Zhongnan University of Economics and Law
3. “The Fifth Variable”, Yigang Zhang, Shandong University

Session 3C **Markets in China** (Venue: ZX B309)

Chairman: Wuyang Hu

1. “The Price Stabilization Effects of China’s Sliding Scale Duty System for Cotton Market”, Xi Tian and Xuejun Wang, Nanjing Agricultural University

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2. “Carbon Market: World Practice and China’s Pilot - What Can China Learn?”, Na Zuo, University of Kentucky
3. “Economic Values for Equestrian Trails”, Wuyang Hu, University of Kentucky

Session 3D **China and History** (Venue: ZX B311)
Chairman: Chicheng Ma

1. “State Power and Taxation in Autocracies: Theory and Evidence from Late Imperial China”, Qiang Chen, Shandong University
2. “Was the Price Revolution in Qing China a Result of American Silver Inflow? - Empirical Evidence from the Northern China plain 1736-1911”, Hongjun Zhao, Shanghai University of International Business and Economics
3. “Political Capital and Financial Development in Qing China”, Chicheng Ma, Shandong University

16:10 – 16:30 Tea break (Venue: lobby on the third floor of Block B, Zhixin Complex)

16:30 – 17:20 ***Keynote Speech***, Junsen Zhang (The Chinese University of Hong Kong)
“The Great Gatsby Curve in China: Cross-Sectional Inequality and Intergenerational Mobility” (Venue: ZX C321)

Chairman: Changying Li, Shandong University

17:20 – 18:10 ***Keynote Speech***, Yew-Kwang Ng (Nanyang Technological University)
“Are Unrealistic Assumptions/Simplifications Acceptable? Some Methodological Issues in Economics” (Venue: ZX C321)

Chairman: Changying Li, Shandong University

18:10 – 20:00 Conference Dinner (Venue: Sunshine Hall, University Hotel, 1/F, Shandong University)

Day 2, Sunday, 14 December 2014

8:45 – 10:30 Parallel Sessions

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Session 4A **Economics of Education** (Venue: ZX B305)
(Organizer: The Chinese University of Hong Kong)
Chairman: Hongliang Zhang

1. “What Kind of Teachers Are Schools Looking For? Evidence from a Randomized Field Experiment”, Peter Hinrichs, Federal Reserve Bank of Cleveland
2. “Early Production of Cognitive Skill: Evidence from Randomly-Assigned Childcare Prices and Pre-natal Investments”, Aaron Sojourner, University of Minnesota
3. “The Graduate Premium, Fees, Grants and Student Loans in the UK”, Yu Zhu, University of Dundee
4. “The Mirage of Elite Schools: Evidence from Lottery-based School Admissions in China”, Hongliang Zhang, The Chinese University of Hong Kong

Session 4B **Industrial Organization II** (Venue: ZX B307)
(Organizer: Lingnan University)
Chairman: Tianle Zhang

1. “Optimal Advertising to Consumers with Differentiated Preferences”, Daniel Zhiyun Li, Durham University
2. “Low Price and Limited Supply Signal Product Quality”, Lan Zhang, Southwestern University of Finance and Economics
3. “The Adjustment of Government Functions in Japan's Corporate Governance Reform”, Bo Li, Liaoning University
4. “Tort Law and Innovation Incentive”, Tianle Zhang, Lingnan University

Session 4C **Games, Auctions and Mechanism Design** (Venue: ZX B309)
Chairman: Gyoung-Gyu Choi

1. “Optimal Design of Multi-dimension Tournaments”, Zhewei Wang (with Jingfeng Lu), Shandong University
2. “Elections as a Conflict Processing Mechanism”, Tianyang Xi, Peking University
3. “All-Pay Auctions with a Buy-Price Option”, Minbo Xu, Beijing Normal University
4. “Respect Games”, Gyoung-Gyu Choi, Dongguk Business School

Session 4D **Trade and FDI** (Venue: ZX B311)
Chairman: Farrukh Nawaz Kayani

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1. “Trends in United States - China Commodity Terms of Trade: A Case of Heterogeneous Goods”, Mahdi Asgari, University of Kentucky
2. “Parallel Developments of Trading Blocs in Asia: A Game Theoretical Explanation”, Jin Zhang, University of International Business and Economics
3. “Chinese Rationale of Free Trade Agreements and China-Pakistan Free Trade Agreement”, Farrukh Nawaz Kayani, COMSATS Institute of Information Technology

Session 4E **Applied Economics** (Venue: ZX B313)
(Organizer: Hong Kong Baptist University)
Chairman: Sung Ko Li

1. “Fragmentation, Global Trade and Gravity”, Han Qi, Hong Kong Baptist University
2. “The Nonlinear Effects of Market Structure on Service Quality: Evidence from the U.S. Airline Industry”, Kang Hua Cao, Hong Kong Baptist University
3. “Technical Advance, Income Allocation and Economic Growth”, Pak Hung Mo, Hong Kong Baptist University
4. “The Competitiveness of Factor-driven Countries: A Data Envelopment Analysis”, Sung Ko Li, Hong Kong Baptist University

10:30 – 10:45 Tea break (Venue: lobby on the third floor of Block B, Zhixin Complex)

10:45 – 11:35 ***Keynote Speech***, Lawrence White (New York University)
“Credit Rating Agencies: An Examination through the Lenses of Finance,
Industrial Organization, and Regulation” (Venue: ZX C321)

Chairman: Yin-wong Cheung, City University of Hong Kong

11:35 – 12:25 ***Keynote Speech***, Yongmin Chen (University of Colorado)
“Economics of Bundled Sales and Purchases” (Venue: ZX C321)

Chairman: Yin-wong Cheung, City University of Hong Kong

12:25 – 13:30 Lunch (Venue: Sunshine Hall, University Hotel, 1/F, Shandong University)

13:30 – 14:50 Parallel Sessions

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Session 5A **Industrial Organization III** (Venue: ZX B305)
Chairman: Hongkun Ma

1. “Optimal Two-part Tari Licensing Contract in Cournot Competition under Asymmetric Information”, Yue Qiao, Shandong University
2. “A Note on Endogenous Heterogeneity in a Duopoly”, Chenhang Zeng, Shandong University
3. “Analysis of Endogenous Cross-Holding in Oligopoly”, Hongkun Ma, Shandong University

Session 5B **Labour and Education** (Venue: ZX B307)
Chairman: Dongpeng Liu

1. “Expectation Effects of Regime Shifts on Labor Market Dynamics”, Tong Wang, Shandong University
2. “Improved Two-Sample Comparisons for Bounded Data”, Jianning Kong, Shandong University
3. “On the Rising Educational Requirement for Job Application and Skill Mismatch in China”, Dongpeng Liu, Nanjing University

Session 5C **Income Equality** (Venue: ZX B309)
Chairman: Melanie Meng Xue

1. “An Empirical Approach to Rising Inequality and High Saving in China”, Guoqiang Li, University of Macau
2. “Distortionary Capital Gains Tax, Income Distribution and Welfare Costs”, Jiashan Wu, Fudan University
3. “Textiles and the Historical Emergence of Gender Equality in China”, Melanie Meng Xue, George Mason University

Session 5D **Trade and FDI II** (Venue: ZX B311)
(Organizer: Lingnan University)
Chairman: Heiwai Tang

1. “Export and Markups: Evidence from China”, Hongyong Zhang, Research Institute of Economy, Trade and Industry

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2. “The Effect of Trade Liberalization on Firm's Markups: Evidence from China”, Wen Yue, Shanghai Jiao Tong University
3. “Trade Induced Quality Upgrading: The Impact of Competition from China at Home and Abroad”, Heiwai Tang, Johns Hopkins University

14:50 – 16:10 Parallel Sessions

Session 6A **R&D and Financial Markets** (Venue: ZX B305)
Chairman: Hua Yin

1. “Finance Development and Innovation: The Role of Political Institution”, Jun Wu, Shanghai Jiao Tong University
2. “Credit Market Development and Firm Innovation: from the Perspective of Financial Resource Allocation”, Hua Shang, Southwestern University of Finance and Economics
3. “The Impacts of the China Growth Enterprise Market on the Main Board”, Hua Yin, Southwestern University of Finance and Economics

Session 6B **Chinese Economy II** (Venue: ZX B307)
Chairman: Liu Yongzheng

1. “Trust by Region: Attitudes of China’s Millennial Generation”, Jaimie W. Lien, Tsinghua University
2. “Owner-cultivator legacies and Contemporary Economic Development in China”, Danli Wang, The Chinese University of Hong Kong
3. “Fiscal Decentralization, Equalization, and Intra-Provincial Inequality in China”, Yongzheng Liu, Renmin University of China

Session 6C **Macroeconomics** (Venue: ZX B309)
Chairman: Na Zuo

1. “Monetary Shocks, Asset Pricing, and Asymmetric Effects: with an Application to the Chinese Stock Market”, Mingming Jiang, Shandong University
2. “SOE and Chinese Real Business Cycle”, Daoju Peng, The Chinese University of Hong Kong
3. “Macroeconomic Volatility and Prudential Macroeconomic Policies in China: Evidence from an Estimated DSGE Model”, Tao Peng, Southwestern University of Finance and Economics

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4. “Crowding-out Effect or Institutions? Resource Curse Revisit with Investigation of Chinese Provinces”, Na Zuo, University of Kentucky

Session 6D **Poverty** (Venue: ZX B311)

Chairman: Ying Wu

1. “Risk, Poverty and the Impacts of Weather Index Insurance: Evidence from Rural Households in Northern Ethiopia”, Haftom Bayray Kahsay, Lingnan University
2. “Parental Migration and Left-Behind Children's Educational Aspirations in Rural China”, Shaoping Li, University of Chinese Academy of Sciences
3. “Macroeconomic Expansions and Derailment from Poverty Reduction: Chinese Provincial Evidence in the 1990s”, Ying Wu (with Hong Yao), Salisbury University

16:10 – 16:30 Tea break (Venue: lobby on the third floor of Block B, Zhixin Complex)

16:30 – 17:20 ***Keynote Speech***, Kamal Saggi (Vanderbilt University)
“Compulsory Licensing and Patent Protection: A North-South Perspective”
(Venue: ZX C321)

Chairman: Yue Qiao, Shandong University

17:20 – 18:10 ***Keynote Speech***, Ian Crawford (Oxford University)
“Home AEQUALIS: A Structural, Cross-Society Analysis of Three Bargaining Games”
(Venue: ZX C321)

Chairman: Yue Qiao, Shandong University

18:15 Conference Ends

18:30-20:00 Dinner (Venue: Sunshine Hall, University Hotel, 1/F,
Shandong University)

Note:

1. ZX represents Zhixin Complex in the central campus of Shandong University, which consists of block A\B\C\D. e.g. ZX B305 is the room 305 on the third floor of block B, Zhixin Complex.