



Lecture on
“Has Financial Liberalization Improved Economic Efficiency in Korea?”

by Professor Jungsoo Park,
Professor, School of Economics, Sogang University, Seoul, Korea



Date: 18 August 2016 (Thursday)

Time: 11:00 am– 12:15 pm

Venue: Lecture Theatre 4,
Level 2, Cheng Yu Tung Building,
The Chinese University of Hong Kong,
12 Chak Cheung Street,
Shatin, N.T.

Language: English

About the Speaker:

Jungsoo Park received a Ph.D. in Economics from Stanford University in 1999 after receiving BA in economics from Seoul National University. He was an assistant professor at SUNY at Buffalo till 2005 and returned to Korea to be a professor of economics at School of Economics, Sogang University in Seoul. He served as an associate dean for Graduate School of Economics and the president for Korea Association of Applied Economics. He is currently a member of National Economic Advisory Council for the President of Korea (NEAC). His research interest is economic growth and technology, banking and finance, and international economics. He has more than thirty publications including articles in *Economic Inquiry*, *Information Systems Research*, *Journal of Productivity Analysis*, *Economics Letters*.

Abstract:

This lecture discusses the effects of financial liberalization on the lending behavior of banks and non-bank financial institutions (NBFIs) before and after the 1997 crisis using panel regression on Korea's firm-level and industry-level data for the 1991 – 2007 period. For this purpose a financial liberalization index is developed incorporating the multi-faceted nature of financial reform. It is found that financial liberalization has led banks and NBFIs to allocate more of their loans to relatively small and medium sized firms with a better performance history, thereby helping these entities to improve their total factor productivity (TFP) growth. We could not find similar effects of financial liberalization on efficiency at large firms and the industry level. Heavier reliance on direct financing after the crisis has not improved productivity of large firms.

ALL ARE WELCOME