

# **HU-CU Joint Research Workshop on Applied Economics**

**Monday 5th, December 2016**

**Main Conference Room, Third Floor,  
Graduate School of Social Sciences, Hiroshima University**





Please accept our sincere condolences over the passing of your respected king.

ขอถวายความอาลัยแด่พระบาทสมเด็จพระปรมินทรมหาภูมิพลอดุลยเดชที่รักและเคารพยิ่งของชาวไทย

Department of Economics  
Hiroshima Institute of Health Economics Research (HiHER)  
Hiroshima University



9:55

*Assemble at Meeting Room B351 (large conference room) on the 3rd floor of Econ bld.*

10:00-10:05

*Address by Dean. Senda*

10:05-10:10

*Address by Dean. Suwanrada*

10:10-10:40

***“What Determines Financial Literacy in Japan?”***

**Yoshihiko Kadoya**, Hiroshima University

---

This study aims to determine the factors that affect financial literacy in Japan using data from Osaka University’s Preference Parameter Study in Japan. We examined fourteen variables covering respondents’ demographic, socio-economic, and psychological backgrounds drawn from social learning, consumer socialization, and psychology theories of learning. The results indicate that the demographic factors of gender, age, and education; the socio-economic factors of income and occupation; and the psychological factor of perceptions about future significantly affect the level of financial literacy. We checked the robustness of results using a different measure of financial literacy, which also confirmed our findings. The results emphasize the need for a formal financial education and social contact to boost financial literacy levels in Japan.

10:40-11:10

***“Effects of Free Antimalarial Interventions: A Difference-in-Differences Evaluation Based on Monthly Reports from Health Facilities in Nigeria”***

**Nopphol Witvorapong**, Chulalongkorn University

---

This study evaluates the impact of the provision of free antimalarial interventions, namely artemisinin-based combination therapies (ACTs), long-lasting insecticidal bed nets (LLINs) and intermittent preventive treatments of malaria (IPTs) in August 2010-June 2012, and the addition of rapid diagnostic tests (RDTs) from July 2012 onwards, provided in Niger State, Nigeria. The outcomes of interest include the utilization of general health services and antimalarial services by people with a febrile condition. Using data from 2010-2013 monthly reports from 150 public health facilities, 99 of which were intervention facilities and the other 51 non-intervention, the difference-in-differences specification based on log-linear OLS and Poisson regressions is used. The results are consistent across alternative specifications and regression models. At the 1% level of significance, the study suggests that the free provision of ACTs, LLINs and IPTs was associated with an increase of 21.903-37.692 and 20.350-33.664 visits by people with a febrile condition for general and antimalarial services per facility per month respectively. The addition of RDTs shifted the utilization increase to 25.950-42.708 and 20.157-42.366 visits for general and antimalarial services per facility per month respectively. The removal of user fees proved effective in increasing access to antimalarial services from the provider’s perspective. This study is complementary to the existing literature, which is largely based on individual-level data, as opposed to facility level data.

11:10-11:40

***“Quantile Hodrick-Prescott Filtering”***

**Hiroshi Yamada**, Hiroshima University

---

Quantile regression was introduced in the seminal work by Koenker and Bassett (1978) and widely applied in econometrics. Hodrick-Prescott (HP) (1997) filtering is used frequently to estimate trend components of macroeconomic time series. In this paper, we contribute to the literature on macroeconometrics by introducing a filtering method that combines these two statistical tools. We refer to it as quantile HP (qHP) filtering. qHP filtering enables us to obtain not only the median trend, which is more robust to outliers than HP filtering, but also other quantile trends, which may provide a deeper understanding of time series properties. As in the case of HP filtering, it requires selection of tuning parameter. We propose a method for selecting it, which enables us to compare trends from (q)HP filtering. As an empirical example, we present some estimated quantile trends from Japan’s industrial index of production (IIP).

11:40-11:45

***Photo Session***

11:45-13:10

***Lunch at La Boheme***

13:10-13:40

***“Do Economic Conditions Affect the Number of Buddhist Monasteries in Thailand”***

**Watcharapong Ratisukpimol**, Chulalongkorn University

---

A handful of studies had been conducted to clarify the relationship between economy and religion, especially in a Buddhist context. This paper, therefore, aims to emphasize this linkage - whether economic conditions affect religiosity in Thailand using the number of Thai Buddhist temples as a proxy for religiosity and as a dependent variable. The secondary data between the year 2007 to 2013 in a provincial level of both economic and non-economic factors are examined applying fixed effects and random effects model of panel data analysis. Even though the result of some variables are not robust across models, for most types of data and models, there is at least one robust significant economic variable. After all, it implies that, in Thailand, better economic conditions, to be more specific, higher economic growth increase the number of Buddhist monasteries which contradict to the secularization theory. The Thai government could foster economic growth to maintain Buddhism.

13:40-14:10

***“A Simple Model of Economic Development and Rent-seeking”***

**Koichiro Sano**, Hiroshima University

---

In this paper, we show the simple mechanism that international trade affects rent-seeking activities. In the economy, there are two production sectors and rent-seeking sector, which have different values of skill elasticities. Due to comparative advantage, the high-skilled choose the sector which exhibits high skill elasticity, and the low-skilled choose the sector with low skill elasticity. If the skill elasticity of rent-seeking is high, the high-skilled are engaged in rent-seeking. When the economy is opened, it faces the world relative price. If the world relative price of the good produced by the high-skilled is lower than in autarky, working in the sector is less profitable for the high-skilled. Consequently, the high-skilled choose rent-seeking in the open economy.

14:10-14:40

***“War, Migration and the Origins of the Thai Sex Industry”***

**Nuarpear Lekfuangfu**, Chulalongkorn University

---

This paper analyzes the determinants behind the spatial distribution of the Thai sex industry. First, we relate the development of the sex industry to an early temporary demand shock, i.e., U.S. military presence in Thailand during the Vietnam War. Comparing the surroundings of Thai military bases used by the U.S. army to districts close to unused Thai bases, we find that there are currently 5 times more commercial sex workers in districts near former U.S. bases. Second, we show that the impact of this temporary demand shock is strongly amplified by female migration from regions affected by an agricultural crisis after the early 1980s recession. The clustering of the sex industry is explained by the interaction of these demand and supply shocks. Finally, we quantify one disamenity induced by the large numbers of sex workers in red-light districts: HIV propagation in the early 1990s.

14:40-15:10

***Break***

15:10-15:40

***“The Effects of Incremental Trade Liberalization on Economic Growth in a R&D Growth Model Revisited”***

**Katsufumi Fukuda**, Hiroshima University

---

This paper examines effects of incremental trade liberalizations on growth rate in a growth model with firm heterogeneity. Decreases in ad valorem tariff, specific tariff, and transportation cost unambiguously leads to lower growth rate. This result contrasts with the result of identical firms.

15:40-16:10

***“Reciprocal Altruism and the Level of Development”***

**Manachaya Uruyos, Chulalongkorn University**

---

This study intends to build up the theoretical framework to find the most appropriate model of household behavior of intergenerational transfer decisions in the time of aging population. We develop a three-period overlapping-generations model where middle-aged agents care about not only their lifetime consumption but also those of their old parents and children. The agents with reciprocal altruism choose amounts of gifts to their parents as old-age supports, inter-vivos bequests to their children that affect economic growth, and savings. The model also takes the effects of demographic transition into account. The data from National Transfer Accounts (NTA), are utilized to find the degrees of altruism toward old parents and children. Once the degrees of altruism are adjusted for relevant life expectancy and fertility rates, the noticeable patterns emerge among the countries in the data set. Firstly, developed economies are more filially altruistic than developing ones, whereas the latter are more parentally altruistic than the former. Secondly, developing Asian countries, where old-age supports are privately provided, tend to have the lower adjusted degrees of altruism toward the elderly than South American countries, where public pension systems are in effect, though the two groups of countries are at the similar level of development. While, in the developed economies, levels of the public transfers to the elderly almost reach the values that maximize social welfare, the developing Asian countries must introduce substantial public old-age supports programs in order to maximize social welfare.

16:10-16:15

***Short Break***

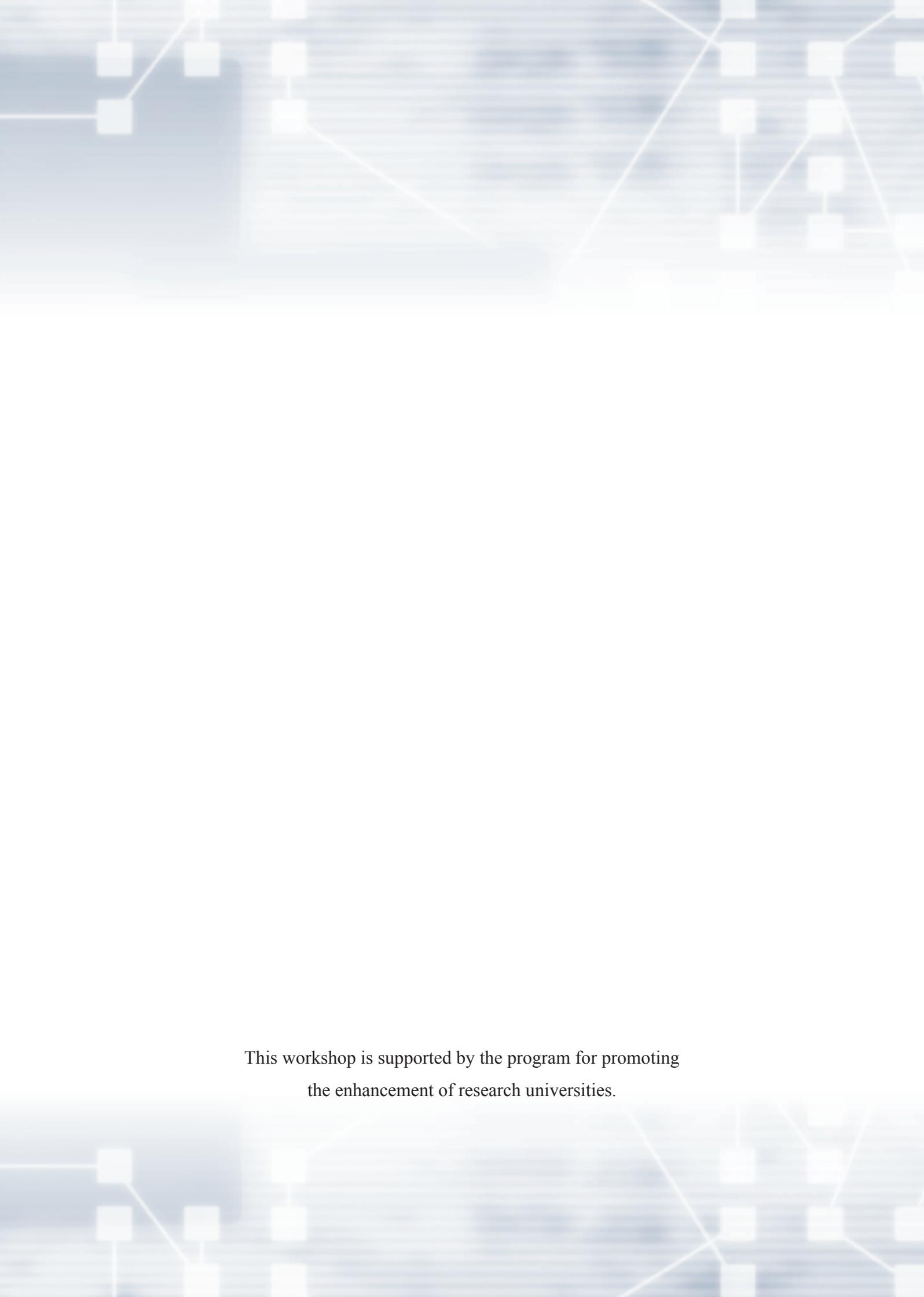
16:15-17:15

***Discussion about future collaboration***

***Walk to Hakuwa Hotel***

17:30-19:00

***Reception at Hakuwa Hotel***



This workshop is supported by the program for promoting  
the enhancement of research universities.

