

## Interview with Professor Ghon Rhee University of Hawaii, Editor of Pacific- Basin Finance Journal

**Professor Hoshino:** Recently, there are American-type business schools in mainland China excluding Hong Kong. What is your impression?

**Professor Rhee:** Yes, for example, in recent years, Peking University and Tsinghua University received a very large amount of donations and grants from Hong Kong business people and corporations and also from some U.S. corporations. So they have a little more financial flexibility in terms of paying higher salaries than normal to attract good scholars from outside China. Many young U.S.-trained Chinese scholars are joining both universities. So I think that's good news for leading Chinese universities while I haven't observed the same from the universities in Taiwan or Korea. I believe the Chinese authorities can take quick actions in a decisive manner once they know exactly what they want. I admire the way Chinese universities handle their recruiting effort for top talents. Japan, Korea and Taipei, China are far better off in terms of GDP per capita than China and they can play much more proactive role in academic research but I am afraid that they are not doing it. They could and should have done more.

**Professor Hoshino:** As for the international role in the academic fields, I would like to pick up a good example of international academic conference. Professor C.F. Lee of Rutgers University organizes an international conference every year either in Asia or in the United States. And he was mentioning the possibility of having the conference in the Tokyo area. Given a small number of expected participants from Japan and the extreme difficulty in raising funds, I can't volunteer to co-sponsor the conference even though I would like to. Actually I organized a domestic conference of The Japanese Association of Administrative Science last year in November. Every year we have a domestic conference in Japan. It is not a big conference with only 130 academicians participating last year. So I managed to organize the last conference in the Tokyo campus of the University of Tsukuba, which is a convenient location for

those Japanese participants. However, as far as international conferences are concerned, it costs much more than any domestic forum. It is rather difficult to raise funds from Japanese corporations.

**Professor Rhee:** When the Asian Finance Association organized its annual meeting in Tokyo, I know that Professor Takato Hiraki who was affiliated with the International University of Japan then and Kwansei Gakuin University now had some difficulties. As a board member of the Asian Finance Association, I worked with him; so I observed how it was. Eventually, though, he managed to line up a number of Japanese sponsors. I believe the fund raising is a function of the quality of the conference. Being the most prestigious conference in the finance area in Asia, the annual meeting of the Asian Finance Association was concluded successfully.

**Professor Hoshino:** Yes I think so. I presented a paper and attended that conference also. But I know that International University is quite a cooperative university, exceptionally cooperative. Of course Hiraki-san also is energetic but he needed some help from the University.

I would like to turn to the question of global distribution of academic journal such as our journal, the *Japanese Journal of Administrative Science*. Serving as the editor-in-chief, I find that an organization such as the National Institute of Informatics is very useful for journal's distribution. At the University of Tsukuba, we can have on-line access to your journal through Internet. Elsevier of North Holland has an excellent homepage called "Science Direct" to promote and disseminate its journals worldwide.

But many Japanese publish papers in Japanese; a higher percentage in Japanese and a smaller percentage in English, which causes some difficulties in promoting the Journal globally. My idea was to take advantage of the organizational strengths of the National Institute of Informatics; they made PDF files of all back issues. So quite recently we joined and send our journal including annual proceedings to the National Institute of Informatics and interested readers now have access to the journal free of charge. As long as they become members of the Institute, they have access to the journal. But I don't want to do that kind of process. Then anybody can get papers from anywhere, globally without

paying. But our university has to pay to Elsevier to subscribe your journal on line.

**Professor Rhee:** Complete access to the journal articles by academicians is something we should encourage while I believe you are concerned about financial sustainability of the Journal which has to be resolved by lining up appropriate funding sources including the university's support.

**Professor Hoshino:** In Japan, the Japanese government makes available scientific research funds. Do you visit Japan often?

**Professor Rhee:** Actually I visit Japan frequently for international conferences organized by international institutions such as the Organization for Economic Cooperation and Development and the Asian Development Bank Institute. I also visit Japanese financial institutions such as the Tokyo Stock Exchange and securities companies.

**Professor Hoshino:** Tokyo Stock Exchange?

**Professor Rhee:** Yes, the collaboration with three organizations in Japan; the Tokyo Stock Exchange, Toyo Keizai Inc. and Daiwa Institute of Research, goes back over 10 years when the Japanese databases were created by the Pacific-Basin Capital Markets Research Center which I served as Executive Director. Specifically, listed companies' stock price data have been supplied by the Daiwa Institute of Research and listed companies' financial statement data have been provided by the Toyo Keizai Inc.

And Tokyo Stock Exchange is of course the one which gave its blessing on this database program.

**Professor Hoshino:** Please tell me more about the Japanese databases.

**Professor Rhee:** When I was affiliated with the University of Rhode Island, we created the PACAP Databases-Japan. After I moved to Hawaii, the Asia-Pacific Financial Market Research Center serves as a front office and the University of Rhode Island's PACAP Research Center serves as a back office. Two institutions

are working together to maintain the PACAP Databases-Japan and other Asian countries.

**Professor Hoshino:** Can universities subscribe to the PACAP Databases?

**Professor Rhee:** Yes at a reasonable annual subscription rate. Many universities in the United States, Australia, New Zealand, and Asian countries are subscribers.

**Professor Hoshino:** So that's good. I want to talk about the *Pacific-Basin Finance Journal* for which you serve as the managing editor.

**Professor Rhee:** Yes, please ask any questions.

**Professor Hoshino:** The *Journal* is published 5 times per year. It used to be 4 times. So is it because of many submitted papers? Why did you change from 4 times to 5 times a year?

**Professor Rhee:** In part we wanted to meet the demand from academicians. A pretty large number of professors are doing research on Asian financial markets and they need more journal space. And out of the five issues, one issue is dedicated to the Asian Finance Association's annual meeting. We select about 20 to 40 papers among 200 to 250 submissions for conference presentations. So we select pretty good papers. And then these 20 to 40 papers will go through a fast-track review process. And then we publish a special issue with 6-10 papers finally accepted.

**Professor Hoshino:** When was the Journal launched?

**Professor Rhee:** We did it in 1993, so now it's our 13th year.

**Professor Hoshino:** I think there are 3 Japanese editorial board members.

**Professor Rhee:** Yasushi Hamao, Akioshi Horiuchi, Hideaki Kato, Juro Teranishi, and Takato Hiraki have been on the editorial board.

**Professor Hoshino:** Are they the same from the

beginning?

**Professor Rhee:** No actually Professors Kato and Takato I invited recently.

**Professor Hoshino:** So quite new. So how many members at the beginning, in 1993. At that time the number was it smaller?

**Professor Rhee:** Yes, smaller. We had only about 30 and now we have 40.

**Professor Hoshino:** And you have been the managing editor.

**Professor Rhee:** Since this journal was established. The reason I launched this journal, initially I published three conference volumes for the first three PACAP Finance Conferences in Taipei (1989), Bangkok (1990), and Seoul (1991). And then we decided to launch the *Pacific-Basin Finance Journal* in 1993. The sequence of events was as follows; we created the databases for Asian financial markets and then we made them available for academic researchers; so they produced academic papers on Asian financial markets; the PACAP Finance Conferences were organized for the presentations of those papers; three conference volumes were produced to provide an outlet for academic papers focusing on Asian financial markets; and eventually, the *Pacific-Basin Finance Journal* was launched.

**Professor Hoshino:** There are two editors, you and Professor Kalok Chan of USTHK. So how do you co-operate?

**Professor Rhee:** All of the manuscripts come to the Hawaii editorial office here and then depending on our expertise we divide.

For example so when a manuscript comes here and I think that Chan would do a better job; then I send it to Kalok. He goes through his own review process. Our review processes are completely independent, but we are continually communicate on editorial matters. So I know what he's doing and he knows what I'm doing. But the review process is completely separate and independent, as I said.

**Professor Hoshino:** Please tell me, if possible, your review process formally.

**Professor Rhee:** Usually when a manuscript comes in, I quickly review it to determine whether its scope is consistent with the Journal's focus and to assess the quality of the paper. Very often I return some papers to the authors for a number of reasons. And then I select one or two referees who are very well known in that topic area. Afterwards, we go through a very thorough review process and editorial decisions based on the referees' recommendations.

**Professor Hoshino:** Thank you very much for your talk.

