

Florence, April 7, 2013

Dear *SED* friends

The number and quality of the submitted papers, the resulting program set by the Program Committee, lead by Josep Pijoan-Mas and Virgiliu Midrigan, and the work of Yongsung Chang and the other Local Organizers, are the best announcement of another great *SED* meeting in Seoul (Yonsei University), June 27-29, 2013.

Against this shining background, the political games of North Korea have raised some concern among participants. It's normal that when one plans to visit a foreign country pays more attention to the news coming from that country. However, this punctual outlook often misses the right perspective. I am very pleased to share with you the "Local Organizers Note." As you will see, they don't think that the recent news should be cause of concern for our conference. Therefore, I can only add three things to their note. First, many other sources in Seoul agree with our local organizers; for example, the U.S. Embassy (http://seoul.usembassy.gov/acs_message04april2013.html) and Tom Sargent, who is there for three months. Second, in any case, we will follow the local events and if, against our expectations, there are bad news raising concerns about the security of the conference, you will be rapidly informed. Third, and more importantly, the organization of the conference follows as planned.

I am looking forward to see most of you in Seoul in June,

Best

Ramon

Ramon Marimon
President of the Society for Economic Dynamics

Local Organizer's Note:

We understand that there is a concern about the recent threat posed by North Korea.

People in Seoul take this situation in a calm manner. In fact, we (locals) view this as a business as usual. We spoke to some reliable experts in Seoul about the current situation. They all assess that it is highly unlikely for North Korea to wage a war at this point for several reasons.

1. The current escalation is mainly for domestic politics in the North to solidify its new regime. A young leader took over N Korea recently. The new regime needs to divert attention (and complaints) of its people from internal politics to outside enemies to solidify its power.

2. Recently, the world community, including China, has been heavily criticizing its nuclear development. They would like to create more tension in the region to prevent further pressure from the world community.

3. S. Korea has elected a new president, too. The North is testing the new leadership in the South and hope to get more leverage out of military threat.

4. Due to its miserable economic performance in the last two decades, N. Korea simply does not have enough resources to sustain a large-scale war without Chinese supply. According to experts, there is no chance that China will support a war in the region at this point. Any military confrontation in the region is totally against Chinese interest at this point.

5. South Korea's diplomatic relationships with both US and China are at their best today. Knowing this, the North understands that China would not support a war. N Korea also knows that another war means a collapse of current regime.

In sum, we are informed that there is very little chance of a large scale war at this point. This, however, does not completely excludes an attempt of local accident. But, even in this case, it is very hard to imagine they would attempt a direct attack in Seoul where a large population of US citizens live. All local incidences in the past have been at the border or sea.

We hope this information can assure our participants.

Local Organizers of SED 2013 Meeting