Monetary And Financial Cooperation In East Asia The State Of Affairs After The Global And European Crises

This book concentrates on exchange rates and their macroeconomic consequences, analytical and empirical issues relating to currency crises and policy responses and monetary and financial cooperation in Asia. It is truly pan-Asia-focused with chapters on China, Japan, Korea, India and Southeast Asia.

Since the 1997 Asian financial crisis, countries in East Asia have made efforts to promote regional monetary and financial cooperation to complement the evolving international financial architecture. This increased interest in regional monetary and financial cooperation has resulted in several initiatives - the ASEAN Surveillance Process, the ASEAN+3 Finance Ministers Process including its Chiang Mai Initiative of 2000, the Manila Framework Group and the Asia-Europe Finance Ministers Process to name a few. These developments in some ways represent a significant break from the past. Going forward the key challenge is how to set priorities and sequence developments so as to smooth the path to a new regional financial architecture. This two-volume set takes up the issue of developing a road map of policy options, both at the regional and country levels, for carrying forward the ongoing efforts in monetary and financial cooperation in East Asia. Building on a series of core reports and background papers by eminent economists and policymakers around the world commissioned under an ADB technical assistance project, the book explores what is feasible and desirable in regional monetary and financial cooperation and lays out a road map for putting the concept into action over the next several years. Volume 1 contains an overview by Peter Montiel, and three core studies by Olam Chaipravat, Eric Girardin, and Takatoshi Ito and Yung-Chul Park. Volume 2 contains background papers by Robert J. Barro; Elbiog,nore Boisguier and Alfred Steinheer; Barry Eichengreen; Jeffrey A. Frankel; Eric Girardin; Jong-Wha Lee; Yung-Chul Park and Kwanho Shin; Ronald McKinnon; Eiji Ogawa, Takatoshi Ito, and Yuri Nagataki Sasaki; Ramkiszen Rajan and Reza Siregar; Yunjong Wang and Wing Thye Woo; and Charles Wyplosz. The volumes and the study on which they were based were conceptualized, supervised, and coordinated by Pradumna B. Rana and Shrivaasa Madhur.

This book contains papers addressing the major problems and possible reforms in the international monetary and financial system from the perspective of developing countries. Among the issues addressed are global macroeconomic management, international liquidity, volatile private capital flows, structural adjustment, governance in the IMF and World Bank, the role of the regional development banks, and the potential for developing country cooperation.

Three reports together: (1) Monetary & Financial Cooperation in East Asia: The Case for & Against Monetary & Financial Cooperation; Evolving Regional Financial Architecture in East Asia; Beyond the Chiang Mai Initiative: Coordination of Macroeconomic & Exchange Rate Policies. (2) Costs & Benefits of a Common Currency for ASEAN; Perspectives on Optimum Currency Area: The Suitability of ASEAN for a Common Currency; Constraints on the Adoption of a Common Currency. (3) New Economy & the Effects of Industrial Structures on International Equity Market Correlation, by Cyn-Young Park & Jaejoon Woo; Data Description & Correlation Analyses; Econometric Methods & Empirical Results. Originally published in 2004. This comprehensive collection provides an innovative analysis and a comparison between economic and financial integration in Europe and Latin America, addressed from a global, regional and country-specific perspective. It constitutes a valuable overview focusing on three topics: regional integration and monetary cooperation in Europe and Latin America, exchange rate strategies and financial sector structure. The collection is the outcome of a Workshop and high-level Seminar organized by the Banco de España and the European Central Bank that brought together senior European and Latin American central bankers, as well as senior representatives from international institutions. The 31 contributors presented high quality papers, allowing the reader to take advantage of a rigorous economic analysis that uses first-hand information and draws useful lessons for the future.

An investigation into monetary cooperation in East Asia that examines options ranging from informal policy coordination to the introduction of a common currency.

A decade has passed since the Asian crisis of 1997/1998 which decimated many of the regional economies. While the crisis itself led to severe economic and political consequences, its primary cause was an inappropriate mix of policies, as regional economies attempted to simultaneously maintain fairly rigid exchange rates (soft US dollar pegs) and monetary policy autonomy in the presence of large-scale capital outflows. The chapters in this volume focus on selected exchange rate, monetary and financial issues and policies that are of contemporary relevance and importance to Asia, including choice of exchange rate regimes, causes and consequences of reserve accumulation, international capital flows, macroeconomic synchronization, and regional monetary and financial cooperation.

Since the Asian financial crisis of 1997/1998, there has been a deep and abiding desire on the part of Asian policy makers and opinion makers to enhance the region's economic, monetary and financial self-sufficiency OC00 or at least to ring-fence the region against financial instability and give it a louder voice in global financial affairs. There has been progress in these directions, notably in the form of the Chiang Mai Initiative of financial supports and the Asian Bond Market Initiative to build a single Asian financial market. But progress is hindered by disagreements among the principal national governments OCO Japan, China and South Korea OC00 and resistance to the development of an Asian bloc from both Europe and the United States. This volume considers these issues from a number of different national and analytical perspectives. Scholars from all the relevant regions and countries are represented: Japan, China, Korea, Europe and the United States. While there have been a few previous books and articles concerned with the issue of Asian integration, this is one of the first volumes to successfully draw together top contributors from these different countries and regions to address the issues in a rigorous but relatively accessible way.

The book includes a number of essays about the prospects for monetary and financial integration in East Asia following the Global Financial Crisis and the Eurozone debt crisis. These events have shaken the region's halting efforts at regional integration. Following a synthetic introduction and a survey of past efforts, the book's originality is to present the views of economists from China, Japan, Thailand, Korea, the US and Europe who assess the situation fromtheir country's angles. It provides a vivid, yet rigorous, view of the state of play in this crucial part of the world, presented by world-renowned scholars.

Monetary and Financial Cooperation in East Asia The State of Affairs After the Global and European Crises
Since the 1997 Asian financial crisis, East Asia has implemented a number of initiatives designed to strengthen monetary and financial cooperation, bolstering the region's resilience to economic and financial vulnerabilities. One such initiative is the ASEAN+3 Information Exchange and Policy Dialogue, which includes development of early warning systems (EWS) for financial crises. This book examines efforts to develop EWS models. Specifically, the book analyzes the current understanding of the causes of currency and banking crises, describes recent progress in developing and applying EWS models for currency and banking crises, reviews methodological issues, assesses the predictive power of EWS models and also highlights areas where further research is required to make these models more effective tools for policy analysis. The case studies apply both parametric and nonparametric approaches to EWS modeling using data from six East Asian countries.

With the insight of 130 years of history, this paper tries to answer three questions: how did changing international monetary and financial conditions shape the targets and tools of central bank cooperation? What factors influenced its intensity? Did a structured organisation, such as the BIS, make a difference to its effectiveness? We show that while central bank cooperation through history was ultimately directed to ensuring monetary and financial stability, the conception of these objectives, the relationship between the two, the balance in their pursuit, and the strategies followed evolved over time reflecting changes in the monetary and financial environment as well as in the intellectual climate. In turn, the intensity of central bank cooperation was influenced by the state of international relations, the prestige and degree of autonomy of central banks and the technical nature of the issues requiring cooperation. We also argue that the BIS made a material difference, at least when conditions allowed.

Regional monetary and financial cooperation among the monetary authorities of Asian countries have been further strengthening through the recent global financial crisis in 2007-2008. Finance Ministers and Central Bank Governors of the ASEAN Members States, People's Republic of China (PRC), Japan and Korea (ASEAN plus three) and the monetary authority of Hong Kong, China announced that the Chiang Mai Initiative Multilateralization (CMIM) agreement came into effect on March 24, 2010. They also reached agreement on establishing a surveillance office, which is called an ASEAN plus three Macroeconomic Research Office (AMRO) and would ensure technical details of regional surveillance. The regional monetary cooperation in Asia has been discussed for years. For example, Ogawa and Shimizu (2005) proposed both an Asian Monetary Unit (AMU), which is a common currency basket computed as a weighted average of the thirteen ASEAN plus three currencies, and AMU Deviation Indicators (AMU DIs), which indicates deviation of each Asian currency in terms of the AMU compared with the benchmark rate. The AMU and the AMU DIs are considered as both surveillance measures under the Chiang Mai Initiative and coordinated exchange rate policies among Asian countries. In this paper, we show that monitoring the AMU and the AMU DIs plays an important role in the regional surveillance process under the CMIM. By using daily and monthly data of AMU and AMU DIs in the period between January 2000 to June 2010, which are available in a website of the Research Institute of Economy, Trade, and Industry (RIETI), we examine their usefulness as a surveillance indicator. Our studies of AMU and AMU DIs confirm as follows: First, an AMU peg system stabilizes Nominal Effective Exchange Rate (NEER) of each Asian countries. Second, the AMU and the AMU DIs could warn overvaluation or undervaluation for each of Asia currencies. Third, trade imbalances within the region have been growing as the AMU DIs have been widen. Numerous ideas for monetary and financial cooperation in East Asia have been proposed both within and outside the region since the financial crisis in Asia. Despite this strong level of interest, however, there are few studies that aim to comprehensively address the issue from multiple perspectives. This insightful book redresses the balance and illustrates how East Asian countries plan to take advantage of their rising economic power in rearranging the new international monetary and financial order in the post-crisis era. The expert contributors examine the history, conditions and current efforts towards monetary integration in Asia and explore possible future paths, highlighting the roles and perspectives of East Asian countries in the integration process. They consider how East Asian economies could establish their own zone of monetary stability, and show that monetary stability cannot be separately addressed from the issues of economic growth and solidarity. Without economic growth and solidarity, there would be no purpose in pursuing monetary integration, therefore all three challenges must be simultaneously addressed. Against this backdrop, the book tackles the issues of East Asian monetary integration underpinned by the broad framework of economic growth and solidarity. Scholars of economics, monetary integration, Asian studies and regionalism will find this book both illuminating and thought provoking read...

As the global organisation of central banks, the Bank for International Settlements (BIS) has played a significant role in the momentous changes the international monetary and financial system has undergone over the past half century. This book offers a key contribution to understanding these changes. It explores the rise of the emerging market economies, the resulting shifts in the governance of the international financial system, and the role of central bank cooperation in this process. In this truly multidisciplinary effort, scholars from the fields of economics, history, political science and law unravel the most poignant episodes that marked this period, including European monetary unification, the paradigm shifts in economic and financial analysis, the origins and influence of macro-financial stability frameworks, the rise of soft law in international financial governance, central bank crisis management in the wake of the Great Financial Crisis, and, finally, the institutional evolution of the BIS itself.

This book explores the opportunities and limits of currency cooperation in East Asia. Currency issues play an important role in the region. The Asian crisis of the late 90s was rooted in deficient currency arrangements. The Chinese RMB is not freely convertible yet, but policymakers in China nevertheless aim for a more international role of the Chinese currency. The recent change of direction in Japanese monetary policy caused a drastic depreciation of the Yen and led to warnings against a possible “currency war”, thus demonstrating that currency issues can also easily lead to political frictions. Most trade in and with the East Asian zone on the other hand is still conducted in US $. Against this background different modes of currency cooperation serve the goal of smoothing exchange rate fluctuations and capital flows. They are an important element to promote financial stability and to reduce the transaction cost for foreign trade or investment. The contributions of this book analyze the environment and design of currency cooperation in East Asia and their effects from a macro-and microeconomic viewpoint. The creation of the euro area in 1999 and the subsequent introduction of the euro as a common currency in 2002 were results of a long process of preparation that went back as far as 1947. On the basis of original documents stored in archives in several European countries, this book traces and explains the discussions in the formative years of both the ideas for a monetary union and of the European integration process as such. Its contents reveals that the basic issue to be resolved has remained the same over time: how to organize effective monetary cooperation between ultimately sovereign states. The result of an international cooperative effort of two research institutes, Huygens ING from the Netherlands and the Centre Virtuel de la Connaissance sur l'Europe from Luxembourg, this is the first book to appear on this topic that combines official documents with in-depth archival sources.
This sixth title in the Geneva Reports on the World Economy series looks at international economic cooperation in the twenty-first century. A multi-faceted look at what global central bank cooperation has - and has not - achieved over the past half century.

By providing a comprehensive overview of policy proposals for the international monetary system from an Asian perspective, this book aims to identify what innovations are needed to reform the international monetary and financial system to promote financial stability and sustainable economic growth for emerging economies. The book is organized into four parts. Part 1 discusses major theoretical and empirical issues related to reform of the international monetary system. Part 2 includes two chapters that present the recent developments and challenges for managing capital flows. Part 3 presents different perspectives on regional currency cooperation in Asia and Europe by assessing the evidence supporting increased currency coordination in Asia and by review issues of policy cooperation in the Euro area after the global financial crisis and their implications for Asia. Part 4 discusses emerging issues for regional/global cooperation and financial safety nets. The main inference of the book is that, in light of the drawbacks of the existing international monetary system exposed in the global financial crisis, along with other countries, Asian emerging economies should work cooperatively to reform and strengthen international monetary and financial policy. To do so, regional and global monetary cooperation is needed and financial safety nets should be strengthened to alleviate the impact of possible global financial crises. This will be one of the first books written about the global financial crisis and the on going the European sovereign debt crisis to comprehensively address the issues related to currency cooperation, based on the Euro area experience, with the specific implications for Asia.

Copyright: fd51c2c033dd007297a2d424bf35008c