The Asian Financial Crisis Origins Implications And Solutions

Examines financial crises of the past and discusses similarities between these events and the current crisis, presenting and comparing historical patterns in bank failures, inflation, debt, currency, housing, employment, and government spending.

This book analyzes the Asian financial crisis of 1997-1999. In addition to the issues of financial system restructuring, export-led recovery, crony capitalism, and competitiveness in Asian manufacturing, it examines six key Asian economies--China, Indonesia, Japan, Korea, Malaysia, and Thailand. The book makes clear that there is little particularly Asian about the Asian financial crisis. The generic character of the crisis became clear during 1998, when it reached Russia, South Africa, and Brazil. The spread of the crisis reflects the rapid arrival of global capitalism in a world economy not used to the integration of the advanced and developing countries. The book makes recommendations for reform, including the formation of regional monetary bodies, the establishment of an international bankruptcy system, the democratization of international organizations, the infusion of public money to revive the financial and corporate sectors in Pacific Asia, and stronger supervision over financial institutions. The book emphasizes a mismatch in Pacific Asia between investment in physical hardware (e.g., factories and machinery) and in social software (e.g., scientific research centers and administrative and judiciary systems). In a world of growing international competitiveness, concerns over governance will weigh increasingly heavily on unreformed Asian countries. The long-term competitiveness of Asia rests on its getting its institutions right.

Many books on the 2008 financial crisis and the current recession focus on the financial sector. Unlike them, this book takes the real economy as the starting point and it situates the downturn within the societal context over the last several decades. Important elements of the story include global manufacturing overcapacity and declining profitability, failure of advanced industrial economies to make a quantum jump in discoveries and innovations across a broad range of technologies, ascent of neo-liberalism after the fall of the Berlin Wall, the Asian financial crisis, the Japanese ?lost decade?, and the dot-com boom. This provides the backdrop of the birth of a market society, deregulation, easy credit, and financial excesses. The financial crisis reveals much that has gone astray in the business world over the last few decades ? short term thinking, manipulation of figures and image management at the cost of the basics. The financial sector has become an arena for accounting shenanigans and corporate skullduggery. It is also a symptom of deeper social and cultural change. Crisis of a very serious nature functions as a cleansing exercise. Already we have seen debates which re-examine values and ideas, state policy and business practices. If the world could rise to the challenge, history will view the crisis as a blessing in disguise and thus render it in positive terms.Contents: From Berlin Wall to Wall StreetA Tale of Two CrisesInsights from Japan's ?Lost Decade?Special Features of the 2008 CrisisBonfire of Financial ExcessesThe Moral EconomyA New Financial Landscape?Globalization and All ThatDon't Waste the Crisis Readership: General public and finance professionals.
Inhaltsangabe:Abstract: Macroeconomic stability and rapid export growth were the two key elements in starting the virtuous circles of high rates of accumulation, efficient allocation, and strong productive growth that formed the basis for East Asia s success. (World Bank, 1993). Public

perception of the Asian economies could hardly have shifted more since that time. Currency depreciation, rising corporate bankruptcy, bank failures, and sovereign bonds downgraded to junk bond status ended the euphoria in Asian emerging markets . Almost overnight, the reputation of the Newly Industrialized Countries (NICs) in East and South East Asia deteriorated from a model of efficient development to an example of worst crony capitalism . Politicians, rating agencies, and investors were caught off guard by the development of the Asian financial crisis. During the meeting of the Asia-Pacific Economic Co-operation forum (APEC) in November 1997, U.S. President Bill Clinton referred to the financial crisis in Asia as merely a few small glitches in the road . Moody s and Standard and Poor s had upgraded the Philippines long term debt rating a few months earlier and downgraded the affected economies only when the crisis persisted for more than three months. Com-paring Thailand s situation to Mexico s economy prior to the peso crisis 1994-1995, the Morgan Stanley star analyst Barton Biggs wrote in January 1997: Thailand s problems are cyclical, not secular. Thailand is not Mexico in late1994. [..]On the numbers, Thailand qualifies for the euro and is healthier than Germany . The optimism seemed warranted by a history of high growth in the Asian countries. Before the outbreak of the crisis, Malaysia, Indonesia, Korea, and Thailand had experienced uninterrupted growth of more that 5 percent of GDP per year for almost two decades. The economic profession also experienced its Waterloo in Asia. Economists not only failed to predict the crisis; they also failed to recognize the vulnerability of the region. Paul Krugman (1994) in his now famous article in Foreign Affairs was the only well-known economist to doubt the sustainability of rapid growth in East and Southeast Asia. Nevertheless, even he did not predict this kind of collapse, but rather a gradual

economic slowdown of growth. Despite the initial confusion among economists, academic discussion about the Asian financial crisis quickly crystallized around two different explanations of the crisis. One explanation [...]
The Asian financial crisis of 1997–98 was devastating for the region, but policymakers at least believed that they gained a great deal of knowledge on how to prevent, mitigate, and resolve crises in the future. Fifteen years later, the Asian developing countries escaped the worst effects of the global crisis of 2008–10, in part because they had learned the right lessons from their own experience. In this important study, the Asian Development Bank and Peterson Institute for International Economics join forces to illuminate the con¬trast between Asia's performance during the more recent crisis with its performance during its own crisis and the gap between what the United States and European Union leaders recommended to Asia then and what they have practiced on themselves since then. The overriding lessons emerging from the essays in this volume are that countries need to prepare for crises as if they cannot be prevented, make room for stabili¬zation policies and deploy them rapidly when crises hit, and address the need for self-insurance globally if they can, or regionally if they must. Contributors include Simon Johnson, William R. Cline, Joseph E. Gagnon, Stephan Haggard, Masahiro Kawai, Peter Morgan, Donghyun Park, Arief Ramayandi, Kwanho Shin, Edwin M. Truman, Shahin Vallee, Changyong Rhee, and Lea Sumulong
The turmoil that has rocked Asian markets since the middle of 1997, and that is now having such deep effects on the economies in the region, is the third major currency crisis of the 1990s. This study explains how the Asian crisis arose and spread. It then outlines the corrective policy measures that could help end the crisis, and the shortcomings that have been revealed in the international financial system that

require reform to reduce the chances of a recurrence.
A full acknowledgement of the dangers of analysis by hindsight leaves one with a simple question: if the origins of the Asian financial crisis lie in the structural flaws in the Asian financial system, then why did it occur when it did? What in the economic structure or fundamentals changed between the Asian Miracle and the Asian Crisis? Some slowdown in East Asian growth was probably inevitable after the fast pace of the preceding three decades. But the slowdown interacted badly with the highly-leveraged financial system. The crisis was the result. Asia Pacific Economic Co-operation (APEC) is about the things that can help the region put in place the policies and the infrastructure, human and capital, for sustainable growth over the coming years. The international community can play a role in supporting the process of reform. This book briefly assesses the Asian crisis, discusses financial systems for recovery, and the role of investment and trade flows and policies.
Southeast Asia is suddenly in crisis, the largest country - Indonesia - deeply so. This volume, comprising a set of specially commissioned papers, examines the origins, lessons, and future path of the crisis. Why didn't economists foresee the sudden and catastrophic events of 1997-98? How can seemingly robust and vigorous economies fall so far, so swiftly? Do we, in consequence, need to change the way we view the world? Is there anything to salvage of the "East Asian miracle"? Is Southeast Asia about to experience its own version of the "lost decade", analogous to that which afflicted much of Africa and Latin America in the 1980s?
In this book Park argues for the continuing validity of an 'East Asian' model of economic development that differs distinctly from the Washington Consensus. He argues that, while this model was undermined to

some extent by the 1997-98 financial crisis, it remains robust and important in explaining economic events in East Asia.

Victim, not instigator of the Asian Financial Crisis, Hong Kong was the only economy that succeeded in defending its fully convertible currency, indeed its entire financial system, against speculators, but the price Hong Kong paid for success has been deep recession. Jao gives an objective, even-handed account and analysis of what happened to one of the world's most open economies during that world-roiling event. As an important study of financial events in a globalized economy, Jao's book will be engrossing, cautionary reading for professionals and academics alike, and a major work in the literature on international business, economics, finance, banking, and investment.

In the late 1990s, Korea, Thailand, Indonesia and Malaysia experienced a series of major financial crises evinced by widespread bank insolvencies and currency depreciations, as well as sharp declines in gross domestic production. This sudden disruption of the Asian economic `miracle' astounded many observers around the world, raised questions about the stability of the international financial system and caused widespread fear that this financial crisis would spread to other countries. What has been called the Asian crisis followed a prolonged slump in Japan dating from the early 1980s and came after the Mexican currency crisis in the mid-1990s. Thus, the Asian crisis became a major policy concern at the International Monetary Fund as well as among developed countries whose cooperation in dealing with such financial crises is necessary to maintain the stability and efficiency of global financial markets. This book collects the papers and discussions delivered at an October 1998 Conference co-sponsored by the Federal Reserve Bank of Chicago and the International Monetary Fund to examine the causes, implications and possible solutions to the crises. The conference participants included a broad range of academic, industry, and regulatory experts representing more than thirty countries. Topics discussed included the origin of the individual crises; early warning indicators; the role played by the global financial sector in this crisis; how, given an international safety net, potential risks of moral hazard might contribute to further crises; the lessons for the international financial system to be drawn from the Asian crisis; and what the role of the International Monetary Fund might be in future rescue operations. Because the discussions of these topics include a wide diversity of critical views and opinions, the book offers a particularly rich presentation of current and evolving thinking on the causes and preventions of international banking and monetary crises. The book promises to be one of the timeliest as well as one of

the most complete treatments of the Asian financial crisis and its implications for future policymaking.
Analytical work on Indonesian macroeconomic and financial issues, with an overarching theme on building institutions and policies for prosperity and inclusive growth. The book begins with a 20-year economic overview by former Finance Minister Chatib Basri, with subsequent chapters covering diverse sectors of the economy as well as Indonesia’s place in the global economy.
This book analyzes the social impact of the Asian financial crisis and its policy implications. It documents the severe rise in unemployment and its repercussions in the worst-affected countries (the Republic of Korea, Thailand, and Indonesia) and how this has, to a varying extent, overwhelmed the underdeveloped systems of social protection. It argues that, in light of this experience, urgent action is required both to relieve current social distress and to strengthen systems of social protection. A central policy message is that current programs of policy and institutional reform have to include a basic rethinking of the social dimension of the future model of development. A new social contract, based on full respect for basic labor rights, democracy, and greater social protection needs to be forged. The book argues the case for the introduction of unemployment insurance, the expansion of social assistance, and the strengthening of active labor

market policies. The policy issues raised are of relevance not only to the crisis-affected Asian countries but also to other emerging economies that are facing similar challenges in an era of rapid economic and financial globalization.

In the space of a few months, across Asia, a miracle became a nightmare. This was the Asian Financial Crisis of 1995–98. In this economic crisis hundreds of people died in rioting, political strong men were removed and hundreds of billions of dollars were lost by investors. This crisis saw the US dollar value of some Asian stock markets decline by ninety percent. Why did almost no one see it coming? The Asian Financial Crisis 1995–98 charts Russell Napier's personal journey during that crisis as he wrote daily for institutional investors about an increasingly uncertain future. Relying on contemporaneous commentary, it charts the mistakes and successes of investors in the battle for investment survival in Asia from 1995–98. This is not just a guide for investors navigating financial markets, but also an explanation of how this crisis created the foundations of an age of debt that has changed the modern world.

What started in the summer of 1997 as a regional economic and financial crisis in East and Southeast Asia had developed into a global financial crisis within the span of a year. This crisis followed the crisis in the European Monetary System in 1992-3 and the Mexican peso crisis in 1994-5. However, unlike the previous two crises, the scale and depth of the Asian crisis surprised everyone. One obvious reason for this is East and Southeast Asia'strack record of economic success. Since the 1960s, no other group of countries in the world has produced more rapid economic growth or such a dramatic reduction in poverty. Given so many years of sustained economic performance the obvious question is: how could events in Asia unfold as they did?

This electronic version has been made available under a Creative Commons (BY-NC-ND) open access license. The Asian financial crisis of 1997-98 shook the foundations of the global economy and what began as a localised currency crisis soon engulfed the entire Asian region. What went wrong and how did the Asian economies long considered 'miracles' respond? How did the United States, Japan and other G-7 countries respond to the crisis? What role did the IMF play?. Why did China, which suffers many of the same structural problems responsible for the crisis remain conspicuously insulated from the turmoil raging in its midst?. What explains the remarkable recovery now underway in Asia? In what fundamental ways did the Asian crisis serve as a catalyst to the current thinking about the "new international financial architecture"?. This book provides answers to all the above questions and more, and gives a comprehensive account of how the international economic order operates, examines its strengths and weaknesses, and what needs to be done to fix it.

Some analysts looked at the 1997/98 East Asian crisis not as one crisis but as a combination of crises, beginning with a crisis of confidence and evolving into a currency crisis, a financial crisis, an economic crisis, a social crisis and a political crisis. This book is a multidisciplinary study of financial crises, in particular, the Asian crisis of 1997 and the more recent global financial crisis of 2008. Looking at financial crises not as one crisis, but as a combination of crises beginning with a crisis of confidence, this study steps out of the traditional mould and examines financial crises from novel perspectives. The book highlights that since the origin of a financial crisis is a confidence crisis, either in the whole economy or a particular sector, the Asian and recent global crises could have backward and forward linkages to political regimes and institutions, culture and tradition, the role of the media, society and societal evolution and development processes of regulatory regimes. Through contributions by authors in fields ranging from sociology and political science, media and Islamic banking, to law and regulation, this study adopts a broad framework for understanding financial crises, and sheds light on the interwoven and complex structures and often overlooked aspects which contribute to the holistic understanding of this topic.

After years of strong performance, Korea’s economy entered a crisis in 1997, owing largely to structural problems in its financial and corporate sectors. These problems emerged in the second half of that year, when the capital inflows that had helped finance Korea’s growth were reversed, as foreign investors—reeling from losses in other Southeast Asian economies—decided to reduce their exposure to Korea. This paper focuses on the sources of the crisis that originated in the financial sector, the measures taken to deal with it, and the evolution of key banking and financial variables in its aftermath.

When are policy makers willing to make costly adjustments to their macroeconomic policies to mitigate balance-of-payments problems? Which types of adjustment strategies do they choose? Under what circumstances do they delay reform, and when are such delays likely to result in financial crises? To answer these questions, this book examines how macroeconomic policy adjustments affect individual voters in financially open economies and argues that the anticipation of these distributional effects influences policy makers' decisions about the timing and the type of reform. Empirically, the book combines analyses of cross-national survey data of voters' and firms' policy evaluations with comparative case studies of national policy responses to the Asian financial crisis of 1997/8 and the recent global financial crisis in Eastern Europe. The book shows that variation in policy makers' willingness to implement reform can be traced back to differences in the vulnerability profiles of their countries' electorates.

Nearly ten years after the Asian Financial Crisis, financial turmoil has reappeared – this time it is ravaging the world's wealthiest countries and dragging the global economy along for the ride. It forces one to reflect on the last major financial crisis to afflict the global economy, and to consider whether there are any similarities, and whether there are any lessons from that crisis that we can apply to the current one. Written by a distinguished group of individuals from government, the private sector, international organizations, and academia, this book provides an overview of developments in the main affected countries during the Asian Financial Crisis, as well as the lessons learned and corrective measures taken at the country, regional, and international levels. Importantly, attention is also paid to the areas where substantial improvements are needed. The current crisis heightens the relevance of these lessons. Lessons from the Asian Financial Crisis will be invaluable to those studying international relations, international finance, international economics and East Asian studies.

'Business Groups in East Asia' examines some East

Asian business groups and their subsequent restructuring following the Asian Crisis of 1997. This crisis affected the inter-relationships among the socio-cultural environment, the state and the market of each country quite differently.

This paper analyzes the origins, implications, and solutions for the Asian financial crisis. From the perspective of a member of the Executive Board of the IMF, as Asian problems were building, the IMF overlooked weaknesses in bank and corporate balance sheets in much of Asia: the IMF was unaware of the extraordinary leverage of Korean companies, which in some cases reached a ratio of 600/1 debt to equity. The IMF did not focus on the weak accounting and disclosure practices of banks and nonbanks or generous rollovers of banks to their key clients.

In the summer of 1997, a tidal wave of economic problems swept across Asia. Currencies plummeted, banks failed, GNP stagnated, unemployment soared, and exports stalled. In short, the vaunted "Asian Economic Miracle" became the "Asian Economic Crisis"—with serious repercussions for nations and markets around the world. While the headlines are still fresh, a group of experts on the region presents the first account to focus on the political causes and implications of the crisis. The events of 1997–98 involved not just property values, financial flows, portfolio makeup, and debt ratios, they argue, but also the power relationships that shaped those economic indicators. As they examine the domestic, regional, and international politics that underlay the economic collapse, the authors analyze the reasons why the crisis affected the nations of Asia in radically different ways. The authors also consider whether the crisis indicates a radical change in Asia's economic future.

Selected as one of the best investment books of all time by the Financial Times, Manias, Panics and Crashes puts the turbulence of the financial world in perspective. Here is a vivid and entertaining account of how reckless decisions and a poor handling of money have led to financial explosions over the centuries. Covering topics such as the history and anatomy of crises, speculative manias, and the lender of last resort, this book has been hailed as "a true classic . . . both timely and timeless." In this new, updated sixth edition, Kindleberger and Aliber expand upon the ideas presented in the previous edition to bring the history of the financial crisis up-to-date. It now includes two new chapters that provide an in-depth analysis of the causes, consequences and policy responses to the first global crisis of the 21st century, the Financial Crisis of 2007-2008. In addition, these new chapters also cover significant crises of the last fifteen years. The authors offer valuable lessons that will allow the reader to successfully navigate the financial crises of today and ones that lie ahead.

This paper examines some of the origins of the recent East Asian financial crisis. It is composed of three parts. The first considers the role of moral hazard in the crisis, specifically the influence of implicit and explicit government guarantees which may have contributed to excess borrowing in East Asia, similar to what occurred in Latin America during the 1980s. We then consider the role played by weaknesses in prudential regulation and supervision of both banks and non-bank financial intermediaries. Insufficient official oversight and poor corporate governance arguably were at the root of the limited financial transparency which prevented the correct assessment of risks by market participants. The combination of these two factors can be argued to have shifted credit markets from an equilibrium with excess borrowing to one with excessive credit rationing, resulting in a severe liquidity crisis. Comparisons are made with the micro-financial vulnerabilities which eventually led to earlier financial crises in Latin America and the Nordic countries.

Two Crises, Different Outcomes examines East Asian policy reactions to the two major crises of the last fifteen years: the global financial crisis of 2008–9 and the Asian financial crisis of 1997–98. The calamity of the late 1990s saw a massive meltdown concentrated in East Asia. In stark contrast, East Asia avoided the worst effects of the Lehman Brothers collapse, incurring relatively little damage when compared to the financial devastation unleashed on North America and Europe. Much had changed across the intervening decade, not least that China rather than Japan had become the locomotive of regional growth, and that the East Asian economies had taken numerous steps to buffer their financial structures and regulatory regimes. This time Asia avoided disaster; it bounced back quickly after the initial hit and has been growing in a resilient fashion ever since. The authors of this book explain how the earlier financial crisis affected Asian economies, why government reactions differed so widely during that crisis, and how Asian economies weathered the Great Recession. Drawing on a mixture of single-country expertise and comparative analysis, they conclude by assessing the long-term prospects that Asian countries will continue their recent success.

For much of the second half of the twentieth century, the Asian economic ?miracle? has fueled the greatest expansion of wealth for the largest population in the history of mankind. In the summer of 1997, thirty years of economic boom came crashing back to earth. The reality of unrestrained speculation, misallocated private investment, fixed exchange rates, and inadequately supervised banks has struck the much-vaunted ?Asian Tigers? like Thailand, Indonesia, Korea, and finally, Japan, casting a shadow of uncertainty on a region recently at the forefront of the world economic system. Recovery depends largely on reform within the Asian economies themselves and a cold assessment of the structural weaknesses that lay under the surface, but only now have come to light. The implications for world economies and, more broadly, the dynamics of world politics, are tremendous.In Asian Contagion: The Causes and Consequences of a Financial Crisis, Karl D. Jackson, director of the Southeast Asia Studies Program at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University, has commissioned a group of leading experts on business and economic policymaking in Asia in an effort to provide the most up-to-date overview available on the Asian downturn. Each author considers one nation?Japan, China, India, Thailand, Indonesia, Korea, the Philippines, and Vietnam?and the country analysis is framed by an introductory chapter on the roots of the crisis. The chapters consider the most current economic statistics, but view them with an overriding attention to contextualization rather than a more perishable micro focus.

The Asian crisis has sparked a thoroughgoing reappraisal of current international financial norms, the policy prescriptions of the International Monetary Fund, and the adequacy of the existing financial architecture. To draw proper policy conclusions from the crisis, it is necessary to understand exactly what happened and why from both a political and an economic perspective. In this study, renowned political scientist Stephan Haggard examines the political aspects of the crisis in the countries most affected--Korea, Thailand, Malaysia, and Indonesia. Haggard focuses on the political economy of the crisis, emphasizing the longer-run problems of moral hazard and corruption, as well as the politics of crisis management and the political fallout that ensued. He looks at the degree to which each government has rewoven the social safety net and discusses corporate and financial restructuring and greater transparency in business-government relations. Professor Haggard provides a counterpoint to the analysis by examining why Singapore, Taiwan, and the Philippines escaped financial calamity. The volume... provides an excellent overview of both the theories and facts of the crisis. Strongly recommended for academic collections, lower-division undergraduate through research.

This is a unique insider account of the new world of unfettered finance. The author, an Asian regulator, examines how old mindsets, market fundamentalism, loose monetary policy, carry trade, lax supervision, greed, cronyism, and financial engineering caused both the Asian crisis of the late 1990s and the global crisis of 2008–9. This book shows how the Japanese zero interest rate policy to fight deflation helped create the carry trade that generated bubbles in Asia whose effects brought Asian economies down. The study's main purpose is to demonstrate that global finance is so interlinked and interactive that our current tools and institutional structure to deal with critical episodes are completely outdated. The book explains how current financial policies and regulation failed to deal with a global bubble and makes recommendations on what must change.

The Asian Financial Crisis: Origins, Implications, and SolutionsSpringer

Contents: (1) Recent Developments and Analysis; (2) The Global Financial Crisis and U.S. Interests: Policy; Four Phases of the Global Financial Crisis; (3) New

Challenges and Policy in Managing Financial Risk; (4) Origins, Contagion, and Risk; (5) Effects on Emerging Markets: Latin America; Russia and the Financial Crisis; (6) Effects on Europe and The European Response: The ¿European Framework for Action¿; The British Rescue Plan; Collapse of Iceland¿s Banking Sector; (7) Impact on Asia and the Asian Response: Asian Reserves and Their Impact; National Responses; (8) International Policy Issues: Bretton Woods II; G-20 Meetings; The International Monetary Fund; Changes in U.S. Reg¿s. and Regulatory Structure; (9) Legislation.

ÔSara Hsu has written a useful survey of the accelerating pace of financial crises in our time, and a good review of the steps taken, with uncertain effect, to prevent another one. Highly recommended for all who were not paying attention, or who may enjoy the economist's refined capacity to forget.Õ Ð James K. Galbraith, The University of Texas at Austin, US This fascinating volume offers a comprehensive synthesis of the events, causes and outcomes of the major financial crises from 1929 to the present day. Beginning with an overview of the global financial system, Sara Hsu presents both theoretical and empirical evidence to explain the roots of financial crises in general. She then provides a thorough breakdown of a number of major crises of the past century, both in the United States and around the world. The bookÕs discussion of specific crises begins with the Great Depression of 1929, which was the first crisis created within the institutions of our current financial system. The author continues with explorations of the aftermath of the Depression in the

1930s and 1940s, the inter-crisis period of the 1950s through the 1970s, and the emerging market debt default crisis of the 1980s. From there she tackles major crises in specific countries from the 1990s on, including those in Mexico, Asia (including Thailand, Indonesia, South Korea and Malaysia), Russia, Brazil and Argentina, as well as the Great Recession of 2008. The book concludes with a chapter detailing insightful policy recommendations for preventing future crises. Students and professors of economic history, financial and regulatory economics and banking will find this an invaluable resource, both for its comprehensive historical approach and its thoughtful look toward the future of the global economy.

The world economy fell into a global financial crisis in 2008/9 and is still jittered by its aftershocks. Like other financial crises happened in the world economy, it came as a surprise. In historical perspective, financial crises should be understood as a natural fact of life in the world economy and a more pertinent question that should be posed would be why people so easily forget and do not learn from the historical experience. This book deals with the question in two ways. First, it investigates the frame of mind that distances people from the reality of life. At the heart of it, it argues that there are wrong perceptions on the working of the world economy, in particular, the international financial market. It summarizes them as ‘the five conventional wisdoms’ in the international financial market and, by critically examining them, it draws on ‘the five financial theorems’, which would provide intellectual pillars for a more realistic understanding of the global financial market. Second, the book examines in detail the case of an emerging market economy that fell into a financial crisis twice in the recent decade. South Korea provides us with an interesting case of emerging market financial crises that came as ‘surprises’: it faced a financial crisis in 1997/98 after it had been acclaimed as one of ‘East Asian miracle economies’ and it was again befallen to a crisis during the global financial crisis in 2008/2009 after it was widely regarded as a country that had recovered from the crisis with one of the most successful implementations of the IMF-sponsored reforms. The book attempts to provide the readers with a realistic understanding of emerging market financial crises by interpreting the recent global financial crisis and the Korean crises with some general concepts manifested in ‘the five financial theorems’. It also tries to draw more general implications for policy management of emerging market economies.

As witness to one of the world's great crises in recent times, academics and students, business people, national and international government analysts, policy makers and political leaders worldwide have been pre-occupied by an effort to adequately unravel or sufficiently understand the factors that have brought about the so-called Asian financial, currency or economic crisis and hopefully to find plausible cures or solutions to it. This book examines the impact of economic globalization in developing economies and it applies empirical studies of all of the major countries to theoretical perspectives on the crisis.

The definitive report on what caused America's economic meltdown and who was responsibleThe financial and economic crisis has touched the lives of millions of Americans who have lost their jobs and their homes, but many have little understanding of how it happened. Now, in this very accessible report, readers can get the facts. Formed in May 2009, the Financial Crisis Inquiry Commission (FCIC) is a panel of 10 commissioners with experience in business, regulations, economics, and housing, chosen by Congress to explain what happened and why it happened. This panel has had subpoena power that enabled them to interview people and examine documents that no reporter had access to. The FCIC has reviewed millions of pages of documents, and interviewed more than 600 leaders, experts, and participants in the financial markets and government regulatory agencies, as well as individuals and businesses affected by the crisis. In the tradition of The 9/11 Commission Report, "The Financial Crisis Inquiry Report" will be a comprehensive book for the lay reader, complete with a glossary, charts, and easy-to-read diagrams, and a timeline that includes important events. It will be read by policy makers, corporate executives, regulators, government agencies, and the American people.

"This book collects the papers and discussions delivered at an October, 1998 conference co-sponsored by the Federal Reserve Bank of Chicago and the International Monetary Fund to examine the causes, implications and possible solutions to the crises. The conference participants included a broad range of academic, industry, and regulatory experts representing more than thirty countries.

"While each financial crisis is unique and has its own special features, there are a lot of similarities in the dynamics leading to a crisis and also in their resolutions. Some of the financial crises are caused by the lack of appropriate regulation, but often the regulators were ignoring the signals of imminent crises, while serving implicitly or explicitly, the financial industry. In his book, Prof. Kedar-Levy is providing a fresh look at many famous financial crises around the globe, analysing their causes and effects. The special role of regulators is highlighted, including the "Capture Theory" in practice. This book is suitable for economist as well as for those interested in economic history, and for all those concerned with the stability of current international financial markets. Professor Dan GalaiThe Hebrew University, Jerusalem"--