

## Towards Monetary And Financial Integration In East Asia

From Fragmentation to Financial Integration in Europe is a comprehensive study of the European Union financial system. It provides an overview of the issues central to securing a safer financial system for the European Union and looks at the responses to the global financial crisis, both at the macro level—the pendulum of financial integration and fragmentation—and at the micro level—the institutional reforms that are taking place to address the crisis. The emerging financial sector management infrastructure, including the proposed Single Supervisory Mechanism and other elements of a banking union for the euro area, are also discussed in detail.

Assessing the potential benefits and risks of a currency union Leaders of the fifteen-member Economic Community of West African States (ECOWAS) have set a goal of achieving a monetary and currency union by late 2020. Although some progress has been made toward achieving this ambitious goal, major challenges remain if the region is to realize the necessary macroeconomic convergence and establish the required institutional framework in a relatively short period of time. The proposed union offers many potential benefits, especially for countries with historically high inflation rates and weak central banks. But, as implementation of the euro over the past two decades has shown, folding multiple currencies, representing disparate economies, into a common union comes with significant costs, along with operational challenges and transitional risks. All these potential negatives must be considered carefully by ECOWAS leaders seeking to meet a self-imposed deadline. This book, by two leading experts on economics and Africa, makes a significant analytical contribution to the debates now under way about how ECOWAS could achieve and manage its currency union, and the ramifications for the African continent.

In the past two decades, national financial markets in the major industrial countries have undergone a revolutionary change. Market pricing has replaced price-setting by government regulation or market conventions, and the removal of capital controls has opened national markets to international competition. Along with changes in markets has come improved understanding of how interest rates across different currencies are related. This study examines the progress in integrating the financial markets of the Group of Five (G-5) industrial countries: Britain, France, Germany, Japan and the United States. Professor Marston shows that deregulation and liberalization have succeeded to such an extent that interest rates in any single currency are nearly the same regardless of whether they are offered in national or Eurocurrency markets.

There is widespread agreement in the current social and economic debate that the nations of the world are becoming increasingly integrated. Many structural signs in society also suggest that this is so. Integration has become a catchword in the preparations for the internal market of the EC, and a keynote in the debate about association for the European countries which do not belong to the Community. But when we turn to the question of how this integration should be measured, there is very little consensus. Instead there are numerous problems, not only about how to measure integration but even about how to define it. In this book I shall discuss the import and implications of a particular type of integration, namely financial integration, and then look at the most important problems connected with measuring it. In the empirical investigation reported below I felt the need for an integrated micro-macro approach. Further, I decided to illustrate the measurement problems by studying a small and relatively open economy where exchange controls have been imposed by the government in an attempt to reduce the flow of interest-sensitive capital out of the country, and thus to acquire autonomy for the national monetary policy. An interview study has been carried out with a view to illustrating among other things how expectations are formed among the major actors on the financial market, and this provided additional input for an analysis of the level of financial integration.

Towards Monetary and Financial Integration in East Asia Edward Elgar Publishing

Starting in the early 1990s many emerging and developing economies (EDEs) liberalized their capital accounts, allowing greater freedom for international lenders and investors to enter their markets as well as for their residents to borrow and invest in international financial markets. Despite recurrent crises, liberalization has continued and in fact accelerated in the new millennium. Integration has been greatly facilitated by progressively looser monetary policy in the United States, notably the policies that culminated in debt crises in the United States and Europe and the ultra-easy monetary policy adopted in response. Not only have their traditional cross-border linkages been deepened and external balance sheets expanded rapidly, but also foreign presence in their domestic financial markets and the presence of their nationals in foreign markets have reached unprecedented levels. As a result new channels have emerged for the transmission of financial shocks from global boom-bust cycles. Almost all EDEs are now vulnerable irrespective of their balance-of-payments, external debt, net foreign assets and international reserve positions although these play an important role in the way such shocks could impinge on them. This is a matter for concern since the multilateral system still lacks mechanisms for orderly resolution of financial crises with international dimensions. *Playing with Fire* provides an empirical account of deeper integration of EDEs into the global financial system and discusses its implications for stability and growth, focusing on the role of policies in the new millennium in both EDEs and the United States and Europe.

Early in the new millennium it appeared that a long period of financial crisis had come to an end, but the world now faces renewed and greater turmoil. This 2010 volume analyses the past three decades of global financial integration and governance and the recent collapse into crisis, offering a coherent and policy-relevant overview. State-of-the-art research from an interdisciplinary group of scholars illuminates the economic, political and social issues at the heart of devising an effective and legitimate financial system for the future. The chapters offer debate around a series of core themes which probe the ties between public and private actors and their consequences for outcomes for both

developed markets and developing countries alike. The contributors argue that developing effective, legitimate financial governance requires enhancing public versus private authority through broader stakeholder representation, ensuring more acceptable policy outcomes.

The effective governance of global money and finance is under enormous stress. Deep changes over the last decade in capital markets, exchange rate systems, and government finances suggest dramatic shifts in the contours of monetary power, with tensions rising between the functional logic of international economics and the geographic logic of state-centered politics. *Governing the World's Money* assesses those tensions and the prospects for their peaceful resolution. *Governing the World's Money* surveys the frontiers of the global monetary system in ten original essays. Leading scholars of international relations and economics explore the evolution of the instruments available to policy officials for monetary governance. As they analyze the contemporary reordering of political authority in a market-oriented global economy, they open new pathways for the study of regional monetary integration and international institutional reform.

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 to be an illuminating and thought-provoking read.

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

*Towards Monetary and Financial Integration in East Asia* is an important book. East Asia, led by China, has been and will continue to be the largest, most rapidly growing region in the world. Major global imbalances persist, with East Asia in large surplus. Yet East Asian financial and monetary integration is only in the early stages of what will necessarily be a long-run process. These 14 essays by different authors address, in six Parts, fundamental long-run issues and prospects. These include the development of a regional financial architecture, liquidity provision and crisis management, surveillance mechanisms, exchange rate arrangements, currency baskets, an Asian Currency Unit, and ultimately even a single currency. The implications of the rise of China and the role of Japan underlie much of these analyses. However imperfect, the EU is the dominant relevant experience for East Asian financial and monetary integration. It is important to understand, as the authors do, that it took 47 years from the EU's nascent founding to the establishment of the euro, and that economic integration has preceded political integration. This book importantly addresses such basic issues in this time frame and with an appreciation of the political economy difficulties of financial integration. Hugh Patrick, Columbia University, US The book edited by Professors Hamada, Reszat, and Volz gives a comprehensive overview of the current status and challenges of economic integration in East Asia. Monetary and financial integration in East Asia has proceeded gradually but steadily since the Asian financial crisis of 1997-98. The book is an authoritative cutting-edge collection of papers in respective topics which brings the reader to the frontier of the literature. Takatoshi Ito, University of Tokyo, Japan This indispensable book provides a comprehensive analysis of monetary and financial integration in East Asia. It assesses the steps already taken toward financial integration and brings forward different proposals for future exchange rate arrangements in what has now become the world's most dynamic region. With contributions from distinguished experts this timely book evaluates the economic and politico-economic arguments and conditions for monetary and financial integration in East Asia. It explores how and to what extent the countries of the region can integrate despite their heterogeneity and their underlying political tensions. Drawing on the European experiences, this book analyzes the economic logic of monetary and financial integration in East Asia and its political feasibility. This invaluable broad analysis will be of interest to academic researchers, students, policy-makers and professional economists working on matters of international economic cooperation, common currency areas, international open economy macroeconomics, and East Asian integration.

In the wake of the global financial crisis, there has been a worldwide search for alternative investment opportunities, away from advanced markets. The African continent is now one of the fastest-growing economic regions in the world and represents a viable destination for foreign direct and portfolio investment. This book, which is the first comprehensive analysis of financial integration and regulation in Africa, fills a huge gap in the literature on financial regulation and would constitute an invaluable source of information to policy makers, investors, researchers and students of financial regulation from an emerging and frontier markets perspective. It considers how financial integration can facilitate African financial markets to achieve their full potential and provides a comparative study with the EU framework for financial integration and regulation. It assesses the implementation of effective and regional domestic infrastructures and how these can be adapted to suit the African context. The book also provides an assessment of government policies towards the integration of financial regulation in keeping with the regional agenda of the African Union (AU) and the African Economic Community (AEC).

In the post-Bretton Woods era from 1971-2000 economists were engaged in a vigorous contest over major aspects of international integration: how to design an optimal currency exchange rate policy; the costs and benefits of international capital flows and policies to change their composition; the causes of financial crises and policies to overcome them; the place of the IMF in the rapidly globalizing international financial system; the ongoing process of currency consolidation and the costs and benefits of monetary union. This book responds to these issues by reviewing the various ideas and policies on the key dimensions of international financial integration and reform. It emphasizes the competing ideas among leading economists, including nine Nobel Laureates in economic science. By taking a comparative schools of thought approach, the book identifies central tenets of the main traditions of thought on the subject. It underpins lessons that are still at the forefront of modern debate on reform of the international financial architecture. This book is essential reading for all interested in international economics, international finance, economic history, international relations and modern economic thought. *Monetary and Financial Integration in West Africa* details the progress, challenges faced, and potential of the project intended to create a West African Monetary Zone (WAMZ) between Gambia, Ghana, Guinea, Nigeria and Sierra Leone. Given the trend towards regionalization of economic ties across the world, especially after the successful launch of the euro, a detailed analysis of the WAMZ is needed. As this is the first book on monetary and financial integration in Gambia, Ghana, Guinea, Nigeria and Sierra Leone, it is an essential read for anyone interested in economic development in West Africa, and indeed in Africa as a whole. This book is extremely well-researched, with detail on virtually all aspects of economic integration in the region; with issues ranging from the institutional details of integration, trade and financial market integration, to progress on convergence of macroeconomic fundamentals to the required payments system infrastructure. The book deploys solid empirical facts and sophisticated analyses to thoroughly defend its assertions. This collection is a valuable contribution and an excellent companion book for monetary economics or international economics classes as well as African development literature. It will provide students and researchers with an exciting chance to apply concepts of, for example, optimum currency areas, central bank structure or monetary policy approaches, to a

real-world case of potential monetary union. Dr. Temitope W. Oshikoya and his collaborators have written the authoritative book on the subject of monetary union in the West African Monetary Zone. As is evident in the level of detail of the book, Dr. Oshikoya brings rich field experience from his role as Director General and CEO of the West African Monetary Institute. This book will be of interest to postgraduates and researchers in development economics; as well as policymakers, monetary authorities and development practitioners.

In the wake of the global financial crisis, Asia is leading the global recovery with strong economic growth. However, this book argues that, in the coming years, the region will need to play a much more active role in shaping the future global financial system and, in turn, suggests policy strategies for doing so. Asian Financial Integration explores the lessons we can learn from Asia's experience during the global financial crisis in terms of the future direction of the region's economic policy and the challenges posed by the opening and deepening of its financial markets. The contributors deal with a number of crucial questions, including what Asia should learn from the crisis, especially with regards to financial innovation and regulation; whether global imbalances are a result of policy distortions or a natural outcome of global division of labour; what are the lessons and implications from the financial market reform and liberalization experiences of some of the region's major economies; and what should Asia do to promote regional financial integration, particularly with regards to currency integration. This book will be welcomed by students and scholars interested in Asian economics and international economics, as well as by policy-makers working in the field.

One of the key issues relating to the performance of national economies is the efficiency of the financial system which stands at the heart of the capital-allocation process. There are two aspects which define efficiency. Static efficiency involves the difference between rates of return provided to ultimate savers and the cost of funds to users. This 'gap', or spread, reflects the direct costs of production (operating and administrative costs, cost of capital, etc.). It also reflects losses incurred in the financial process, as well as any monopoly profits earned and liquidity premiums. Financial processes that are considered 'statically inefficient' are usually characterised by high 'spreads' due to high overhead costs, high losses, barriers to entry, and the like. Dynamic efficiency is characterised by high rates of financial product and process innovation through time. Successful product and process innovation broadens the menu of financial products available to ultimate issuers, ultimate savers, or other agents along the various financial process channels described above. Probably the most powerful catalyst affecting the competitive dynamics of the financial services industry has been technological change.

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 books explore 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; Elblionore Boiscuvier and Alfred Steinherr; 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; Ramkishan 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 Srinivasa Madhur.

Many Latin American economies have experienced significant reductions in growth recently, as a result of the end of the commodity super-cycle and the rebalancing of China's growth, and a number of global banks have been leaving the region. Although Latin American countries were generally less affected by the global financial crisis (GFC) than other regions, the region continues also to suffer from the protracted sluggish growth in advanced economies. In addition, there has since 2008 been a withdrawal of global banks from the region, thus potentially worsening access to credit or reducing competition in the financial sector. More broadly, the GFC demonstrated that extreme economic volatility can originate from outside the region, rather than internally, as was the experience of the 1980s and 1990s...

This report finds that although there are some successes, African countries are still experiencing enormous difficulties in achieving the macroeconomic convergence criteria set by their RECs, such as targets on inflation, debt-to-GDP ratio, and deficit-to-GDP ratio. The assessment also indicates that despite some financial developments, African financial market activities remain shallow, with capital markets characterized by low capitalization and liquidity. The report also provides policymakers with recommendations on how to deepen monetary and financial integration on the continent and create an enabling macroeconomic environment for the continent.

This timely volume traces the political, financial, and economic steps toward financial union in Europe, focusing on the political economy of the process--notably the dynamics of a Europe of sovereign states. Few aspects of the great European integration project have been as difficult and fraught with political conflict as the creation of a single financial market and monetary union. It is clear, however, that monetary union and financial integration are now on the front-burner in Europe, and will remain so until at least the year 2000. This timely volume traces the political, financial, and economic steps toward financial union in Europe, focusing on the political economy of the process--notably the dynamics of a Europe of sovereign states. It is the first integrated view of the issue, combining political, economic, and financial perspectives. Authoritative, comprehensive, and accessible, the volume is essential reading for students, researchers, policy makers, journalists, and anyone who needs to know about financial integration in Europe.

The Arab upheaval and the world's biggest financial crisis after the Great Depression were almost simultaneous in their occurrence. The Mediterranean economies now face a dual challenge of a political and financial restructuring in the light of a shaky economic pedestal on which they stand. In light of this socio-political and economic shift in both inland and in world markets, this book offers a thorough analysis on problems, prospects and the way ahead for the financial integration of the South-Mediterranean region. Several perspectives on financial integration and

policy recommendations are put forward from a leading group of researchers specializing on the Mediterranean region.

This paper provides a summary assessment of the Association of Southeast Asian Nations (ASEAN) on the state of financial integration in the region, with inputs from the Asian Development Bank regional technical assistance project Combined Studies on Assessing the Financial Landscape and Formulating Milestones for Monetary and Financial Integration in the ASEAN. Information on the financial integration milestones blueprint that will lay out a comprehensive program to achieve ASEAN financial integration by 2015, as well as the recommended institutional and policy reforms to be implemented in 2011–2020 are discussed.

This book introduces readers to the world of international financial markets and their integration on a global and regional scale. The author presents the theoretical and practical issues concerning the processes of financial market integration, with a particular focus on the monetary union. The empirical research results are based on econometric modeling, thus simplifying them for a non-specialist audience, who can instead concentrate on the author's conclusions, which comprise the results of these complicated research methods. The author outlines the role and functions of financial markets in the economy, in particular the relationship between financial intermediaries and financial markets and tackles the question of integration of new EU member countries' financial markets within the eurozone. The integration of financial markets in an international context is inevitable, and the author argues that we must learn how to benefit from it from in terms of economic growth. This book will be a valuable resource for students of economics and finance, particularly those studying financial management and international business and finance, as well as professionals in these fields. Further, this book will be of interest to anyone looking to discover more about the problems of globalization and the integration of financial markets into the modern economy.

In the wake of the 2008–09 global financial crisis, central banking and monetary policy in many corners of the world came under intense pressure and entered uncharted waters. The breadth and scale of central bank operations have been modified or expanded in unprecedented and even unimaginable ways given the circumstances. Additionally, a fundamental rethinking of central banking and its policy frameworks has been taking place. This volume reflects a multilateral effort to help close the gap in our knowledge in meeting the critical challenges presented by these significant changes, in particular, those confronting central banks in Latin America. The volume's first section provides a panoramic overview of the policy progress made to date and the challenges that lie ahead. The related issue of spillovers and monetary independence is taken up more fully in the next section. The final section presents chapters that reexamine macroprudential and monetary policies and policy frameworks from the perspective of central bank staff members from the region.

The papers collected in this volume are those presented at the thirteenth Colloquium arranged by the Societe Universitaire Europeenne de Recherches Financieres (SUERF), which took place in Luxembourg in October 1986. The Society is supported by a large number of central banks and commercial banks, by other financial and business institutions, by treasury officials and by academics and others interested in monetary and financial problems. Since its establishment in 1963 it has developed as a forum for the exchange of information, research results and ideas, valued by academics and practitioners in these fields, including central bank officials and civil servants responsible for formulating and applying monetary and financial policies, national and international. A major activity of SUERF is to organize and conduct Colloquia on subjects of topical interest to its members. The titles, places and dates of previous Colloquia for which volumes of the collected papers were published are noted on the last page of this volume. Volumes were not produced for Colloquia held at Tarragona, Spain in October 1970 under the title 'Monetary Policy and New Developments in Banking' and at Strasbourg, France in January 1972 under the title 'Aspects of European Monetary Union'. The previous SUERF Colloquium, at Cambridge in March 1985, had as its subject 'Shifting Frontiers in Financial Markets'

We investigate the extent of regional financial integration in the member countries of the Gulf Cooperation Council. The limited volume data available suggests that regional integration is non-negligible. Bahrain and Kuwait investments especially are oriented towards the region. The development of stock markets in the region will also improve the extent of financial integration. Interest rate data shows that convergence exists and that interest rate differentials are relatively short-lived—especially compared to the ECCU, another emerging market region sharing a common currency. Equities data using cross-listed stocks confirms that stock markets are fairly integrated compared to other emerging market regions, although financial integration is hampered by market illiquidity.

This volume contains contemporary analysis of three key developments in financial economics: financial integration; the dynamics of financial markets; and the information, computer, and technology revolution and its impact on markets and the economic performance, among others. With regard to financial integration, the contributions focus on three streams in international finance: the impact of increased financial integration on credit risk and on the required regulatory arrangements needed to reduce the probability of welfare reducing bank failures, the creation of new international currencies, and the relationship between finance and growth. With regard to the dynamics of financial markets, specific attention is devoted to the complex interaction of different sets of traders with heterogeneous beliefs and information sets. Finally, with respect to the ICT revolution, attention is focused on its impact on: foreign direct investment across countries, competition in the banking industry, consolidation in the financial services industry including its effects credit availability for small and medium sized enterprises, and the capital structure decisions of financial firms.

This book introduces readers to the world of international financial markets and their integration on a global and regional scale. The author presents the theoretical and practical issues concerning the processes of financial market integration, with a particular focus on the monetary union. The empirical research results are based on econometric modeling, thus simplifying them for a non-specialist audience, who can instead concentrate on the author's conclusions, which comprise the results of these complicated research methods. The author outlines the role and functions of financial markets in the economy, in particular the relationship between financial intermediaries and financial markets and tackles the question of integration of new EU member countries' financial markets within the eurozone. The integration of financial markets in an international context is inevitable, and the author argues that we must learn how to benefit from it from in terms of economic growth. This book will be a valuable resource for students of economics and finance, particularly those studying financial management and international business and finance, as well as professionals in these fields. Further, this book will be of interest to anyone looking to discover more about the problems of globalization and the integration of

financial markets into the modern economy.

This thesis proposes four contributions to the study of Asian monetary and financial integration. The first chapter examines to what extent the East Asian exchange rates (ASEAN-5, South Korea) are sensitive to shocks simulated on the US dollar, the euro and the ACU. We show that these countries have moved from a US dollar-based pegging system to a more flexible exchange rate policy, where the weight of the ACU has increased over the last years. The second chapter attempts to analyze the correlation among the ASEAN-5 business cycles. Estimates reveal that correlations are higher during downturns but the process of adjustment to shocks displays idiosyncratic features. We also provide evidence that the signals contained in some leading ASEAN-5 business cycles help predict regime switching in other countries. The third chapter examines the co-movement among the ASEAN-5 real exchange rates through the generalized purchasing power parity (Enders and Hurns, 1994, 1997). We find that real exchange rates are tied through a long memory process, supporting further monetary integration among different sub-groups of the ASEAN-5. In the last chapter, we investigate to what extent the stock markets in Asia (Hong Kong, Japan, ASEAN-5) are integrated. Our results reveal that the stock market volatilities in developed countries share a common stochastic trend. Conversely, emerging markets appear to be segmented from both each other and global markets.

The ongoing global financial crisis has manifested a remarkable degree of global financial integration—and its implications—for emerging Asian financial markets. The current crisis will not and should not deter the progress that the region has made toward financial openness and integration. However, events like this clearly demonstrate that financial liberalization and integration is not without risks. Hence, emerging Asian economies' growing financial ties have motivated us to look closer at the repercussions of increased financial integration and evaluate the benefits of risk sharing and better access to international capital markets against the costs of cross-border financial contagion. The crisis also presents a timely opportunity for the region's policy makers to rethink their strategies for financial deregulation and liberalization and to reconsider a next step to integrate emerging East Asia's financial markets further. However, doing so requires deeper understanding of financial market integration. While much has been said in both academic and policy circles about financial globalization and regional financial integration as separate areas of study, existing research has been relatively silent on the dynamics between these two distinctive forces. The book addresses this gap in financial literature and assesses financial integration in emerging East Asia at both regional and global levels. The publication studies the factors driving the progress of regional financial integration in relation to financial globalization and identifies the relevant policy challenges facing emerging market economies in the region. Chapters look into three broad aspects of regional and global financial market integration: (i) measurement of regional and global financial integration, (ii) understanding dynamics of regional financial integration versus global financial integration, and (iii) welfare implications from regional financial market integration amid financial globalization. Against this context, academics, policy makers, and other readers will appreciate the rigorous research contribution provided by the book.

The global financial crisis and the Eurozone crisis have led to a profound rethink in East Asia about the international monetary system and regional monetary and financial integration. After the East Asian crisis of 1997, deeper regional cooperation was seen as the way to avoid reliance on the IMF and the rest of the world. Steps were taken, but they were limited because of disagreements reflecting regional rivalries. Still, integration into the global financial system and Europe's regional process were seen as objectives to be adapted to East Asia, as detailed in an overview chapter. The crises have shaken this strategy but also revealed the pre-existing deep disagreements. This book presents contributions by scholars from different countries. Each one was invited to describe the vision of their policymakers. The traditional rivalry between China and Japan, the region's largest economies, reveals Chinese confidence into its rising power and Japanese growing doubts about its ability to weigh on the debate. For opposite reasons, both display a declining interest into regional cooperation. Korea and the ASEAN countries do not wish to choose between the regional powers but remain attached to regional cooperation and integration. They look for pragmatic solutions that recognize the value-chain characteristic of trade. Additional contributions by US and European scholars provide evaluations of the global and Eurozone crises and of their relevance for East Asian integration.

The countries in the East African Community (EAC) are among the fastest growing economies in sub-Saharan Africa. The EAC countries are making significant progress toward financial integration, including harmonization of supervisory arrangements and practices and the modernization of monetary policy frameworks. This book focuses on regional integration in the EAC and argues that the establishment of a time table for the eliminating the sensitive-products list and establishing a supranational legal framework for resolving trade disputes are important reforms that should foster regional integration.

This book looks at East Asia's monetary and financial integration from both Asian and European perspectives. It analyses the Euro area's framework for monetary policy implementation, introduced in 1999. It reviews the efforts to foster regional monetary and financial integration and relates them to Europe's own evolution. It highlights successes and failures in both cases and offers a careful assessment of the state of play. A central theme of the volume is that the East Asian reliance on markets is not enough to promote the kind of deep integration that Europe has achieved and that provides protection against exchange rate turbulence. The implications of the recent global crisis are also examined. Written by two of the foremost monetary experts on Asia and Europe, this book will be an invaluable aid to students and academics interested in the relevance of the European experience to the debates about monetary integration in East Asia.

The crisis in the euro area is a defining moment in the history of European integration. It has revealed major flaws in the architecture of the European Union; it has challenged European institutions to shape an appropriate response; and it has tested the patience of a European public that is eager to see their economic prospects improve again. This volume brings together some of the world's top economists and policymakers to explain how this crisis came about and what is to be done. The policy agenda these chapters establish is going to be difficult to implement, not least because of popular misunderstanding and political opposition. This book argues, that it is essential that European policymakers push forward this agenda or they run the risk of seeing Europe's economies fall back into crisis. This book was previously published as a special issue of the Journal of European Integration.

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