Preface

In recent years, we have often asked what lies ahead for East Asia in the new century. East Asia, for its part, had discovered, before the recent crisis, growth and huge potential for development and progress. The region had been quite successful in trade and production within its own economies.

Much had been said about the Asian crisis of 1997–98. We, economists, from various academic origins, have spent much time and energy explaining and analyzing the causes and implications of this crisis. One thing for sure is that we cannot ignore relevant economic principles. In order to fix the problems we face and move ahead with future challenges, we must also attempt innovative thinking, while showing some leeway for what we are willing to improve and to do next. The latest crisis has helped to remind us how relevant economic principles are.

This volume has grown from the revised versions of papers presented at the international conference on ‘Monetary Outlook on East Asia in an Integrating World Economy’, jointly organized by the Faculty of Economics, Chulalongkorn University; the Faculty of Economics, University of Paris-Dauphine; and the Department of Economics, Mannheim University, on 5–6 September 2001, in Bangkok. It addressed several critical issues and questions we all need to explore, as we did in that gathering. It was also an important exercise for East Asia, in general, and Thailand, in particular.

We deliberately avoided the term ‘globalization’ since this worldwide used slogan may shift the responsibility of domestic economic policies to external (‘globalized’) events on which the concerned country has no impact at all. Thus, an economic crisis (decline in output), a financial crisis (breakdown of the banking sector) and a monetary crisis (collapse of a fixed exchange rate) may be ascribed to foreign countries or external (‘globalized’) events, even though they are caused by the misconduct of internal policies, and in particular, by an inappropriate monetary policy (including an inappropriate exchange rate policy).

The conference participants also had a chance to show their respect to Her Royal Highness Princess Maha Chakri Sirindhorn during the event, which included among others Professors Robert Mundell and Ronald McKinnon,

two distinguished contributors in this volume, and many other scholars. The conference could not have been organized without the great efforts and energy of Professors Thienchay Kiranandana and Sriwongse Sumitra, who were assisted by other key Chulalongkorn University colleagues led by Professors Sothitorn Mallikamas, Chuta Manaspaibool, Salinee Worabantoon, Buddhagarn Rutchatorn and Narong Petprasert, all of whom had played his/her special role to make this conference a true venue for academic exchange. We would like to thank conference chairs and discussants as follows: Juanjai Ajanant, Mohamed Ariff, Alian Bienayme, Soedradjad Djiwandono, Michael Hutchison, Sailesh K. Jha, Thienchay Kiranandana, Oh Jong Nam, Hubert Neiss, Yoko Wake, Peter Welfens, Paitoon Wiboonchutikula and Jeromin Zettelmeyer. Rudolf Shelley, our language editor, and Bulanchai Udomariyasap, Lawan Thanasawangkul and Thanatchaporn Thananaken, our publication assistants, merit a special mention here for finalizing all manuscripts into book form. We are also indebted to the tremendous help and assistance and correspondence with Alexandra Minton and Suzanne Mursell from Edward Elgar Publishing. Without them, we could not have produced this publication. All other thanks must also go to authors, advisors, conference participants, students and conference staff who are too many to list. Finally, we are grateful to our sponsors who financed this important event up to the publication of this volume.

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