## Contents

List of contributors Foreword by Richard N. Cooper Acknowledgements		vii ix xi
Eas	roduction: prospects for monetary and financial integration in st Asia—dreams and dilemmas <i>ichi Hamada, Beate Reszat, and Ulrich Volz</i>	1
PA	RT I THE POLITICAL ECONOMY OF REGIONAL INTEGRATION	
1	The ASEAN economic community and the European experience Michael G. Plummer and Reid W. Click	13
2	The political economy of European economic and monetary union negotiations and implications for East Asia	41
3	Heungchong Kim International political conflicts and economic integration Koichi Hamada and Inpyo Lee	61
PA	RT II DEVELOPING BOND MARKETS IN EAST ASIA	
4	Learning by doing in market reform: lessons from a regional bond fund <i>Guonan Ma and Eli Remolona</i>	87
5	Currency denomination in Asian bond markets Eiji Ogawa and Junko Shimizu	104
PA	RT III EXCHANGE RATE POLICIES IN EAST ASIA: THE ROLE OF THE DOLLAR	
6	East Asia's role in the revived Bretton Woods system Michael P. Dooley, David Folkerts-Landau, and Peter Garber	141
7	Current account surpluses and conflicted virtue in East Asia: China and Japan under the dollar standard Ronald McKinnon and Gunther Schnabl	159

· .

TOWARD MONETARY INTEGRATION IN EAST PARTIV ASIA? 8 Three cases for monetary integration in East Asia 195 Ulrich Volz Monetary and exchange rate policy coordination in 9 222 ASEAN+1 William H. Branson and Conor N. Healy PART V CURRENCY BASKETS FOR EAST ASIA? Capital markets and exchange rate stabilization in East Asia: 10 diversifying risk based on currency baskets 267 Gunther Schnabl Asian currency baskets 290 11 John Williamson 12 The role of an Asian currency unit 304 Masahiro Kawai PART VI THE ROLE OF CHINA The illusion of precision and the role of the renminbi in 13 regional integration 325 Yin-Wong Cheung, Menzie D. Chinn, and Eiji Fujii Institutional and structural problems of China's foreign 14 exchange market and the RMB's role in East Asia 357 Zhang Jikang and Liang Yuanyuan

387

Index

vi

Contents