

亞洲金融危機研究

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陳倫玉 著

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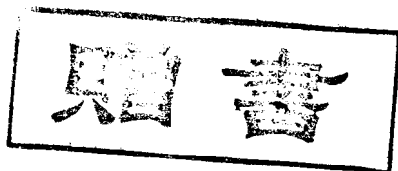
香港勵志出版社

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勵志出版社 1999

國際統一書號 (ISBN): 962 - 7473 - 93 - 6

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出版: 香港·勵志出版社

發行: 香港田園書局

學術總監: 國世平

主任編輯: 劉敏儀

版面設計: 國力

版次: 1999 年 7 月第 1 版

印數: 5,000 冊

字數: 220,000

香港銅鑼灣伊榮街 7 - 17 號欣榮商業大廈 2201 室

電話: (852) 2890 2650, 2881 0973 傳真: 2890 1355

定價: HK \$ 88

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Abstract

The Asian Financial Crisis is one with the most far – reaching influence in the world since 1930s. It not only hit seriously the economy in Asia, but also turned the world economy into depression. It was far beyond the expectation that the crisis came and spread so quickly and lasted for such a long time. According to the world economy estimates made in April this year by the World Bank, the world financial crisis has a long way to go.

World finance has never stopped meeting with difficulties since 1990s. Take, for example, European monetary system crisis in the early 90s; financial crisis in Mexico in 1994, Asian Financial Crisis in 1997 followed by financial crisis in Russia and Brazil. What is exactly happening to the world economy and why financial crises have broken out one after another since 1990s and most of them in developing countries? The Asian Financial Crisis, which has made disappear in a split of second the East World of Asian Miracle of 20 years splendid achievements and development, has made the whole world lost in deep thought.

At the beginning of the Asian Financial Crisis, wide researches were done in its causes. Some people began to criticize that Asian countries with new market had chosen a wrong model of economic development. They believed that low benefit Asian economic model, depending excessively on the export – oriented economy, was the real cause of the crisis. There were quite a few persons who imputed the crisis to the excessive flow of international capital and criticized the international

hot money as the cause of Asian Financial Crisis. Some other people believed that the Asian Financial Crisis resulted from the defects in international monetary system, which accumulated the crisis factors, stimulated the crisis to break out and led to the quick spread of the crisis. Some still other people believed that the financial crisis was due to the globalization of economy, which was the key factor of the quick spread of the financial crisis.

In fact, the outbreak of the Asian Financial Crisis was not caused by some single factor, but by all the above – mentioned factors acting together, which is also the characteristic of modern financial crises. Financial crises before the 1990s happened usually in certain financial field such as monetary crisis, bank crisis and debt crisis, while modern financial crisis is a comprehensive one, appearing in every aspect of finance. The current Asian Financial Crisis, for example, is an overall financial crisis including monetary crisis, bank crisis and debt crisis. Therefore, the cause of financial crises is very complicated.

This paper, divided into 7 chapters, is to analyze deeply the various causes leading to the Asian Financial Crisis, especially the relevant problems such as Asian economic model, international capital flow, international monetary system as well as the globalization of economy. The paper, based on the above research, tries to conceive the establishment of an early warning system of global financial crises. It also puts forward some policy suggestions of how will China face the challenge and get out of the difficulties after the Asian Financial Crisis.

The paper is divided into 7 chapters, not including the Introduction. The following are main ideas of each chapter.

Chapter One: Theoretical Research on Financial Crisis

This chapter, in order to study more deeply and systematically the

problems of current Asian Financial Crisis, puts forward the writer's own understanding of the concept of financial crisis after comparing and analyzing the basic history of the concept of financial crisis. While introducing the theory and development of the main financial crises in modern times, the paper analyses different characteristics of modern financial crises, which lays a theoretical basis for the research of different problems of Asian Financial Crisis.

First, the writer, after analyzing and studying the existing achievements on the definition of financial crisis and the change of modern international economic environment and characteristics of financial crises, puts forward the new definition of the financial crisis as the following. The so – called financial crisis is a phenomenon of turbulence of all kinds of finance, which may spread and bring about panic. This phenomenon is caused by the serious devaluation, credit squeeze, slip in stock prices, credit losses, bankruptcy of financial institutions, depletion of foreign exchange reserve and so on, due to the abnormal development of various factors in economy. Modern financial crises are properly sorted in this chapter according to different standards: 1. Periodic and non – periodic financial crises, according to the regularity of financial crises; 2. Monetary credit crises, debt crises and bank crises, according to the different causes and forms of financial crises.

Then, three major theories of financial crises – debt – deflation, monetarism and rational prediction – are studied deeply in this chapter and, compared to the reality of modern financial crises, a theoretic analysis of these theories is made in keeping with the development of the times.

Finally, this chapter, taking the Asian Financial Crisis as an example, analyses the different characteristics of modern financial crises.

such as the different causes, different influences and different attitudes of the international community toward the crises. It lays the basis for the deep research on the Asian Financial Crisis in the following chapters.

Chapter Two: Asian Economic Model and Asian Financial Crisis

Since the start of the Asian Financial Crisis, there have existed seriously different opinions as to whether the Asian economic model is responsible for the crisis. Some people think that the Asian Financial Crisis is in fact the crisis of Asian economic model. The various defects in the Asian economic model have resulted in the overall outbreak of the Asian Financial crisis, which formally concluded the Asian economic model. The advocates of the Asian economic model are vigorously against this opinion. They believe that the Asian Miracle created in the past 20 years by the Asian economic model has been universally recognized and the Asian Financial Crisis offers a good opportunity for the Asian economic model to be adjusted in order to create conditions for its upgrade and development. After all, the Asian Financial Crisis has been related to the Asian economic model, which helps to consider deeply the Asian Financial Crisis. The imbalance of the Asian economic structure and the strategy of economic development are analyzed through the relationship of the Asian economic model and the Asian Financial Crisis, which helps to the strategic adjustment of the Asian economy.

This chapter, beginning with the research on the basic meaning of the Asian economic model, analyses deeply the four major characteristics of the Asian economic model – – “strong government” stimulation, export – oriented strategy, extensive scale expansion and the Con-

fucian culture atmosphere.

Two famous major economic models were adopted in the economic development in developing countries: Latin American economic model and Asian economic model, which, after creating economic miracle Brazilian miracle and Asian miracle, ended in large – scale financial crises one after another in 1990s. This chapter, in order to deepen the research on the relationship between economic models and financial crises, has compared and analyzed widely the two economic models and found out the similarities and peculiarities.

This chapter puts stress on the demonstration of the relationship between Asian economic model and Asian Financial Crises. Studies show that the peculiarities of the Asian economic model are getting to become non – positive factors of economic development in modern times because of the environmental change of international economy and the progress of the times, which, to some extent, leads to the formation of financial crisis factors.

First, the characteristic of “strong government” in the Asian economic model impels the formation of financial crisis factors in the following aspects.

1. The “strong government” helps to bring about the expansion of bubble economy. There are two reasons: a) the government manages to enlarge by all means the investment scale in order to support the high economic growth, which results in the expansion of investment; b) the government, very ambitiously, supports irrationally the expansion of large – scale enterprises and groups. The governmental interference is excessively abused for a long time, which leads to an “overheated economy”, forming economic bubble.

2. The Asian governments' system of "strongman finance" decides and influences the distribution of credit funds, which, to some extent, results in the expansion of bad assets.
3. The poorer quality and poorer self-discipline of "strong government" is the root of corruption in Asian countries while the dishonorable government acts are universally recognized as one of the major reasons of the Asian Financial Crisis.

Then, the nature of extensive development and scale expansion in the Asian economic model lacks necessary optimized structure, which results in a distortion of economic structure. Meanwhile, scientific progresses contribute little to the economic growth because expansion in scale is paid too much attention and the benefit increase is neglected. Extensive management causes waste of funds, making a lot of capital unproductive and flow to the speculative financial assets markets such as real estate market and stock market.

Finally, the export-oriented Asian economic model, relying mainly on using foreign capital, impels to some degree the quick expansion of foreign debt and the unreasonable structure of foreign capital. It is estimated that, around the outbreak of the Asian Financial Crisis, the ratio of total amount of foreign debt to GNP was above 50% in many countries that were seriously hit by the Crisis, while the international warning limit was 30% to 50%. The ratio of short-term foreign debt to the amount of indebtedness in these countries exceeded the international warning limit (25%) too. Huge foreign debt and its unreasonable structure constitute one of the major causes of the Asian Financial Crisis.

After analyzing the relationship between the Asian economic model and the Asian Financial Crisis, the writer puts forward his strategic thi-

nking of the development and adjustment of the Asian economic model in the future and studies the way to vitalize the Asian economy.

Chapter Three: International Capital Flow and Asian Financial Crisis

In the theoretical field, some people believe that the Asian Financial Crisis was caused by the excessive flow of international capital. This chapter develops the research on the relationship between international capital flow and Asian financial crisis.

The writer analyses different forms and basic characteristics of international capital and then new characteristics of current international capital flow, which are:

1. Financial capital flow expands quickly in scale.
2. International hot money becomes more powerful in the flow of international capital.
3. International capital flow favors the tertiary industry, financial institutions and real estate industry.
4. In the direct investment of international capital, developed countries still play the major role in the stage of international capital flow.

While analyzing the new characteristics of current international capital flow, the writer develops also in this chapter the current new change of the flow setup of international capital.

International capital is divided into investment capital and international hot money. All governments want to refuse international capital while attracting foreign capital because international hot money brings great speculative benefits. In order to analyze the different roles played by the international investment capital and international hot money in the Asian Financial Crisis, the difference between the international in-

vestment capital and international hot money is analyzed mainly in this chapter. The different influences exerted by both on the economy of different countries are also studied in detail in this chapter.

Analysis and research show that international hot money is one of the major causes of modern financial turbulence. When conditions permitted, international hot money may easily bring out and aggravate financial turbulence. International hot money has great strength -- about 1,000 billion US dollars available in the world. In addition, because of the "three - dimensional" attack of international hot money and the convenience of quick flow brought about by the globalization of economy, international hot money may easily become the cause of regional or even global financial turbulence.

According to the positive analysis of the evolution of the Asian Financial Crisis, international hot money did play an important part in the outbreak and the subsequent spread of the Asian Financial Crisis. First, international capital impelled the accumulation of inherent factors of the Asian Financial Crisis in four aspects. 1. Making, to some extent, industrial structure unreasonable. 2. Joining the creation of bubble economy in Asia. 3. Leading, to some extent, to the expansion of bank bad assets. 4. Needing the financial market of the countries in financial crisis to open too untimely and excessively. Then international hot money touched off the Asian Financial Crisis. It began with the attack of Thai Baht, then different Southeast Asian countries' currency one after another and finally South Korea and Taiwan as well as Hongkong dollars. Every indication shows that the immoderate speculative activities of international hot money not only touched off the Asian Financial Crisis, but also made the financial crisis spread quickly.

Chapter Four: International Monetary System and Asian Financial Crisis

After the Asian Financial Crisis, the demand for the reform of the international monetary system is growing. Many people believe that the frequent large – scaled international financial crises in 1990s are inseparable from the various defects in the existing international monetary system.

This chapter, starting with the basic concept of international monetary system and its actual evolution, studies and analyses the major international monetary systems, especially Bretton Woods Agreement and the main contents of the current international monetary system. The following defects have been found through the analysis of the current international monetary system:

1. The existing international monetary system as a whole lags behind the development of the globalization of economy. This is manifested in the gradual aging of the current international monetary system, its disability to supervise the whole world, to coordinate the monetary cooperation among different countries and to increase the transparency of financial trades.
2. There exist lots of defects in the exchange rate system, the main content of the international monetary system, in the international reserve system and even in the executing agency of international monetary system, too. First, as far as the current international exchange rate system is concerned, the various arrangement of the exchange rate in different countries brings about many contradictions such as the controlled floating and free floating, single floating and joint floating, fixed floating and market free floating and so on. The evident weakness of

current international exchange rate system is revealed by the existing contradictions. As for the international reserve system, many new problems keep emerging one after another while the original defects still remain unsolved because the system is greatly influenced by the Bretton Woods Agreement. For example, the "Triffin Dilemma" under the Bretton Woods Agreement still exists. Furthermore, the current international reserve system is a multivariate one, which tends to bring about turbulence. The management of international reserve becomes more difficult because of the different influences coming from the economic cycle and economic policy of reserve currency countries. Besides, there still exist evident problems in the mechanism of adjustment of balance – of – payments and also in IMF – – the executing agency of international monetary system. It is just because of the numerous problems in the existing international monetary system that the international financial crises have happened so frequently and spread so widely since the 1990s.

After researching on the problems existing in the current international monetary system, the writer, referring to the actual Asian Financial Crisis, aims to analyze some relation between the current international monetary system and financial crises, which is represented by the current arrangement of exchange rate. There are a lot of contradictions in the arrangement of the pegging exchange rate in developing countries, which makes those developing countries' currencies hit by international hot money many times and become the main cause of the outbreak of financial crises. Meanwhile, the problems existing in the international monetary system make it impossible to predict the modern financial crises and to provide, after the outbreak of crisis, efficient

countermeasures and aid, therefore, letting the financial crises spread quickly. The end of the chapter is an analysis of the current major reform programs of the international monetary system and the detailed analysis of the feasibility of each one.

Chapter Five: Globalization of Economy and Asian Financial Crisis

Globalization of economy was an irresistible trend in the world economic sphere in the late 1980s and after the cold war in the East. Since 1990s, the increasing development of the globalization of economy has resulted in the radical change of international economic environment, which has brought a wide influence on the world economy and, especially, on developing countries. So, some researchers believe that the continual outbreak of financial crises in the world, most of which began in developing countries, has some relationship with the quick development of the trend of the globalization of economy.

The chapter describes the essential meaning of the globalization of economy and introduces the basic course of its development. It also analyses the major reasons of the quick appearance of the trend of the globalization of economy since 1990s. It is a common view in the theory sphere that the globalization of economy has a great influence on the economy of developing countries. However, there are different opinions on whether the influence is favourable or unfavourable. Some believe that it is a plot of developed countries to seek to establish world economy hegemony, which is called "plot theory". Others believe that the globalization of economy is a good opportunity for developing countries to catch up with and surpass the developed countries and the former should make economic response to it, which is called "opportunity theory". Actually, the globalization of economy is a "sword with double

blades". On the one hand, the quick development of the globalization of economy offers developing countries opportunities to catch up with and surpass advanced technology and develop their country's economy. On the other hand, it may hit seriously the economy of the developing countries that have unhealthy market mechanism. Without adequate knowledge and positive countermeasures, it might bring about very serious consequences and even financial crisis. The outbreak of the Asian Financial Crisis has indicated, to some extent, some passive influence of the globalization of economy.

The result of the analysis of the relationship between the globalization of economy and the Asian Financial Crisis shows that the globalization of economy may bring about economic turbulence in the following aspects and make it spread:

1. The globalization of economy turns the developing countries' supply from shortage into surplus, resulting in the formation of bubble economy. This is because the globalization of economy, first, lets the developed countries move more quickly, more easily and on a larger scale their surplus products into developing countries, then, makes large amount of international capital out of industrial departments, capital becoming fictitious.
2. The globalization of economy impels international finance capital to be put together quickly, enlarging the scale of international hot money in order to strengthen its impact force.
3. Developed countries impose their wills and harsh terms on developing countries through the international finance institutions that promote the globalization of economy, resulting in unfairness in the world.

Around the Asian Financial Crisis, the globalization of economy

brought about negative influence to Asian countries' economy in two ways. First, before the Crisis, the globalization of economy caused the accumulation of external factors of financial crisis. For instance, making a heavy burden of foreign debt to Asian countries, expanding the deficit of international payment of Southeast countries and causing untimely the financial deregulation, which offers readily exploitable loopholes to international speculative capital. Then, after the Crisis, the globalization of economy caused and accelerated the Crisis' spread. The globalization of economy contributed to the quick spread of the Asian Financial Crisis though it is not the chief criminal.

Chapter Six: Preventive Measures against Modern Financial Crises

Prevention against financial crises is an issue researched on positively by the whole world. The IMF has just declared to establish a reserve fund of one billion US dollars in order to prevent member countries from the possible financial crises. Many experts and scholars are working hard to find out an accurate early warning system. A conference was held on February 29, 1999 in Bonn by the ministers of finance and presidents of central bank of 7 Western countries to discuss about setting up an early warning mechanism of financial crises. However, no feasible and practicable ways have been found out till now.

This chapter introduces basically the theory of signal analysis put forward by Graciela Kaminsky and others, who is a staff member in IMF. They took as samples 76 monetary and financial crises of 15 developing countries and 5 industrialized countries with the span from 1970 to 1995. They analyzed and compared the samples in order to decide which variables correlated more closely to the outbreak of the financial crises. The variables with greater degree of correlation to the

crises could be considered as the foregoing indexes of financial crises. Then, an early warning system could be established by adopting the chosen foregoing indexes and relevant valve value. Therefore, once some indexes in a certain country's economy exceed the valve value, it could be considered as a signal that a financial crisis would happen within 24 months. The writer gives a brief appraisal on the theory of signal analysis in this chapter according to his own understanding.

The writer comes up with a tentative plan to establish an early warning system of financial crises, based on the characteristics of financial crises since 1990s, especially on those of the Asian Financial Crisis. Two index systems should be established. Prediction about possible financial crises could be made, based on the mutually corroborated analyses according to the two systems' variation and the reference to the exceeded degree of critical value. Finally, necessary measures are explained to prevent financial crises. First, handling positively and properly some important relations such as development and optimized structure, development and financial health, speed and benefit, tangible and intangible, domestic and foreign capital, and large, medium and small enterprises. Then, strengthening international cooperation, including that of government economy and finance, attempt on the establishment of the international reserve fund to prevent financial crises and the supervision over the hedge fund.

Chapter Seven: China after Asian Financial Crisis

International community has paid close attention to China since the Asian Financial Crisis, which swept the Southeast Asia and affected other countries and regions. The facts have answered the question whether China will be the next "Southeast Asian". China not only remains stable in the adversity of the Asian Financial Crisis, but also has