#### **ORDER FORM**

Select your titles on the list ————
Name
Address
City Postal Code
Country
E-mail
Payment Options:
☐ Please send an invoice.
<ul> <li>□ Please debit my credit card (add €5 for priority mail outside Europe).</li> <li>□ MasterCard □ Visa □ JCB Card □ Diner's Club</li> <li>□ American Express</li> </ul>
Name of Cardholder
Card number
Expiry date / VCC (3 last digits, back side card)
Signature

### Send your order to:

FONDAD Noordeinde 107a 2514 GE The Hague The Netherlands Fax: 31 70 346 3939

### Or contact us:

Tel.: 31 70 365 3820

Email: a.bulnes@fondad.org

Order online: www.fondad.org

**FONDAD BOOKS** ( ) Global Imbalances and the US Debt Problem: Should Developing Countries Support the US Dollar? €15.00 ( ) Africa in the World Economy: The National, Regional and International Challenges €17.50 ( ) Protecting the Poor. Global Financial Institutions and the Vulnerability of Low-Income Countries €15.00 ( ) Helping the Poor? The IMF and Low-Income Countries €17.50 ( ) Diversity in Development: Reconsidering the Washington Consensus €17.50 ( ) HIPC Debt Relief: Myths and Reality €12.50 ( ) China's Role in Asia and the World Economy: Fostering Stability and Growth €20.00 ( ) Financial Stability and Growth in Emerging Economies: The Role of the Financial Sector €20.00 ( ) The Crisis That Was Not Prevented: Lessons for Argentina, the IMF, and Globalisation €15.00 ( ) A Regional Approach to Financial Crisis Prevention: Lessons from Europe and Initiatives in Asia, Latin America and Africa €20 ( ) New Challenges of Crisis Prevention: Addressing Economic Imbalances in the North and Boom-Bust Cycles in the South €20 ( ) Reforming the International Financial System: Crisis Prevention and Response €20.00 ( ) The Management of Global Financial Markets €20.00 ( ) Private Capital Flows to Africa: Perception and Reality €15.00 ( ) Regulatory and Supervisory Challenges in a New Era of Global Finance €20.00 ( ) The Policy Challenges of Global Financial Integration €10.00 ( ) Regional Integration and Multilateral Cooperation in the Global Economy €15.00 ( ) Regionalism and the Global Economy: The Case of Central and Eastern Europe €15.00 ( ) Regionalism and the Global Economy: The Case of Africa €15.00 ( ) Regional Integration Arrangements in Economic Development: Panacea or Pitfall? €10.00

( ) Can Currency Crises Be Prevented or Better Managed?

( ) Regionalism and the Global Economy: The Case of Latin

( ) Multilateral Development Banks: An Assessment of their

Financial Structures, Policies and Practices €15.00

( ) Fragile Finance: Rethinking the International Monetary

For the complete list see www.fondad.org

Lessons from Mexico €10.00

System €5.00

America and the Caribbean €10.00

Contributing authors provide deep insights and practical policy suggestions of what can be done to lessen the vulnerability of developing countries and contribute to a resolution of the US debt and global imbalances problems.

Jan Joost Teunissen and Age Akkerman (editors)

## Global Imbalances and the US Debt Problem



### Should Developing Countries Support the US Dollar?

Jane D'Arista, Zdeněk Drábek, Barry Eichengreen, Fan Gang, Stephany Griffith-Jones, Jan Kregel, Yonghyup Oh, Yung Chul Park, Barbara Stallings and Wing Thye Woo

FONDAD.

A book that analyses how the ballooning foreign debt problem of the United States and the problem of increasing global economic imbalances are related, how these problems should be addressed and by whom.

# Global Imbalances and the US Debt Problem

# Should Developing Countries Support the US Dollar?

Jane D'Arista, Zdeněk Drábek, Barry Eichengreen, Fan Gang, Stephany Griffith-Jones, Jan Kregel, Yonghyup Oh, Yung Chul Park, Barbara Stallings and Wing Thye Woo

### Edited by Jan Joost Teunissen and Age Akkerman

The growing and staggering foreign debt of the United States is one of the pressing issues of our days. So is the problem of large global economic imbalances. This book analyses how these two problems are related, how they should be addressed and by whom.

In assessing the risks of a dramatic unwinding of US debt and global imbalances, the negative impact on developing countries usually receives little attention. This book is different – it focuses primarily on developing countries.

The contributing authors look at the functioning of the world economic system as a whole and at the policies pursued in both the developed and developing regions of the world. They urge the US to reduce its deficits, and suggest what developing countries and the international community can do to lessen the vulnerability of developing countries and contribute to a resolution of the US debt and global imbalances problems.

According to some of the contributors, the fundamental problem lies in a global monetary system that

maintains the US dollar as the key currency. This allows the US to run high deficits and it prolongs a situation in which capital flows "uphill" – from poor countries to the richest country of the world. They see a reform of the international monetary system that ends the hegemony of the dollar as the best solution. Other contributors observe that as long as both Asia and Europe continue to use positive net exports to support their domestic policy goals, they will continue to finance US deficits.

The book devotes considerable attention to China's role in the global imbalance problem. It investigates whether there are good reasons for placing so much blame on China, and concludes that the focus on the bilateral balance between China and the United States is exaggerated and misleading.

ISBN-10: 90-74208-28-2 ISBN-13: 978-90-74208-28-4 FONDAD, 2006 The Hague, The Netherlands 197 pages

Price: €15.00

### **About the Publisher**

FONDAD is an independent policy research centre and forum for international discussion established in the Netherlands. Supported by a worldwide network of experts, it provides policy-oriented research on a range of North-South problems, with particular emphasis on international financial issues. Through research, seminars and publications, FONDAD aims to provide factual background information and practical strategies for policy-makers and other interested groups in industrial, developing and transition countries.

### Contents

- 1 Should Developing Countries Support the US Dollar? By Way of Introduction

  Jan Joost Teunissen
- 2 Global Imbalances and Emerging Markets Barry Eichengreen and Yung Chul Park
- 3 Global Imbalances and Latin America: A Comment on Eichengreen and Park Barbara Stallings
- 4 The Dilemmas and Dangers of the Build-Up of US Debt: Proposals for Policy Responses Jane D'Arista and Stephany Griffith-Jones
- 5 Currency Asymmetry, Global Imbalances, and Rethinking of the International Currency System Fan Gang
- 6 China's Macroeconomic Imbalances: The Liquidity Tango Mechanism Wing Thye Woo
- 7 How Effective Is Monetary Policy in China? A Comment on Woo's "Inflationary Tango" Zdeněk Drábek
- 8 Asian Monetary Coordination and Global Imbalances
  Yonghyup Oh
- 9 Understanding Imbalances in a Globalised International Economic System Jan A. Kregel
- 10 Policy Recommendations for the US, Europe and Asia: By Way of Epilogue Jan Joost Teunissen