

ADB

ADBInstitute

## Conference on Asian Architecture and Global Governance

29 October 2009  
Auditorium Zones A & B  
ADB Headquarters  
Manila, Philippines

## AGENDA

**S**ustained economic growth can contribute significantly to poverty reduction. Indeed, countries that have enjoyed economic growth for long periods have witnessed marked declines in poverty incidence. But an economic and financial crisis could frustrate such development. Even though countries can recover quickly, they may not return to the same growth path as before a crisis, thus delaying further economic development. Because a crisis can have long-term implications for development, the Asian Development Bank (ADB) and the Asian Development Bank Institute (ADBI) are contributing to the understanding of what causes a crisis and how to formulate policies that can help avoid a crisis.

The current financial crisis and global economic downturn did not originate in Asia. Indeed, in structural terms, Asian countries are generally in good shape. Nonetheless, Asian economies and financial markets already feel the crisis' impact and these will likely deepen substantially over the coming year. The most obvious impacts have been in exports and equity markets, which have declined sharply across the region. But currency and credit markets have been stressed as well, and domestic demand has softened. This sensitivity has been heightened by the export-led growth strategies followed by many countries.

This joint ADB/ADBI conference—one of a series related to the current global financial crisis and economic downturn—will analyze crisis implications on structural and institutional policy responses in Asia at the national and regional levels. It adds to earlier conferences that studied the macroeconomic impact of the crisis on the region, lessons from previous crises, and growth rebalancing.

The conference aims to provide concrete recommendations for improving and/or developing regional economic policies and institutions that increase regional financial stability and prevent a systemic financial crisis from recurring. It aims to determine how the region's economies can bolster resilience to external economic and financial shocks and strengthen sustainable long-term growth. The focus is on longer-term structural measures.



8:15 – 8:30

Registration

8:30 – 8:50

**Keynote Speech**

Haruhiko Kuroda  
President, Asian Development Bank

8:50 – 9:00

**Conference Overview**

Srinivasa Madhur  
Senior Director, Office of Regional Economic Integration, Asian Development Bank

**Session 1**

Chairperson

Jong-Wha Lee

Chief Economist, Economics and Research Department, concurrently Head, Office of Regional Economic Integration, Asian Development Bank

9:00 – 9:20

**Asia in Global Governance: A Case for Decentralized Institutions**

Masahiro Kawai  
Dean, Asian Development Bank Institute

*Together with Peter Petri and Elif Sisli-Ciamarra of Brandeis University, Dr. Masahiro Kawai uses club theory to highlight obstacles to reform in international macroeconomic management, development finance, trade and financial stability. The authors argue that reforms currently discussed—for example, in voting power in the International Monetary Fund (IMF) and the World Bank—are important, but not sufficient to make international economic institutions (IEIs) adaptable to the demands of a rapidly changing world economy. Their paper also proposes transforming IEIs by shifting more decisions from the global to regional levels.*

9:20 – 9:40

**Applying the Lessons of Asia: The International Monetary Fund's Crisis Management Strategy in 2008**

Shinji Takagi  
Professor, Graduate School of Economics, Osaka University

*Prof. Takagi examines the International Monetary Fund's (IMF) recent crisis management programs in Europe to see how the lessons of Asia were applied. The new approach to crisis management incorporates the changes made since the Asian crisis in the IMF's policies and procedures to manage capital account crises more effectively.*

9:40 – 9:50

*Discussion on Asia in Global Governance: A Case for Decentralized Institutions*

Zhao Beiwen  
Professor, Shanghai Academy of Social Sciences

9:50 – 10:00

*Discussion on Applying the Lessons of Asia: The International Monetary Fund's Crisis Management Strategy in 2008*

Mohammed Ariff  
Executive Director, Malaysian Institute of Economic Research

10:00 – 10:25

Open Floor Discussion

10:25 – 10:40

Photo session for Conference Participants  
Coffee Break

**Session II**

Chairperson

Victor Frank, Jr.

President, Asian Programs Foundation  
Member, Asian Development Bank Institute Advisory Council

10:40 – 11:00

**Reforming the International Monetary System**

Kanhaiya Singh  
Senior Fellow, National Council of Applied Economic Research

*Dr. Singh reviews the economic conditions which led the US dollar to become the international currency of exchange and the resulting international monetary system. These conditions have undergone substantial change and a fresh look is required to develop a system, that is more neutral and more encompassing, and is likely to face lesser constraints to evolution. Further, the paper argues for a neutral currency, possibly SDR and a low interest rate as the regime target for the international monetary system with full autonomy of monetary policy making for the individual economies.*

11:00 – 11:20

### **The Future of the International Currency System: A Chinese Economist's Perspective**

Yiping Huang  
Professor of Economics, Peking University

*What the future global reserve system will look like is very much uncertain. In part it depends on the changing global economic structure. One of the most striking ongoing structural changes is the rise of developing economies. But political will and policy design may also play an important role in shaping the future international currency regime. Prof. Huang reviews People's Republic of China's (PRC) dollar challenge, and three possible scenarios for the future global reserve system. It also discusses PRC's strategy to internationalize the yuan.*

11:20 – 11:40

### **Promoting Exchange Rate Cooperation and Financial Stability in the Region**

Eric Girardin  
Professor, Université de la Méditerranée, Aix-Marseille

*Prof. Girardin's paper will focus on ways to promote exchange rate cooperation and financial stability in the region. Should Asian countries adopt a regional basket system? What would the costs and benefits be of countries in the region adopting greater exchange rate flexibility? How can policy makers work together to promote financial stability in the region? How can cooperation between central banks and finance ministries be strengthened?*

11:40 – 11:50

### *Discussion on Reforming the International Monetary System*

Mario Lamberte  
Research Director, Asian Development Bank Institute

11:50 – 12:00

### *Discussion on The Future of the International Currency System: A Chinese Economist's Perspective*

Anella Munro  
Senior Economist, Representative Office for Asia and the Pacific, Bank for International Settlements

12:00 – 12:10

### *Discussion on Promoting Exchange Rate Cooperation and Financial Stability in the Region*

Willem Thorbecke  
Senior Research Fellow, Asian Development Bank Institute

12:10 – 12:35

Open Floor Discussion

12:35 – 13:35

Lunch Break

## **Session III**

Chairperson

Masahiko Aoki  
Professor and Senior Fellow, Stanford Institute of Economic Policy Research, Stanford University  
President, International Economic Association

13:35 – 13:55

### **Trade and Investment Policy in the Region**

Chia Siow Yue  
Senior Research Fellow, Singapore Institute of International Affairs

*Dr. Chia will examine issues related to trade and investment policies in the region. Will bilateral free trade agreements (FTAs) continue to proliferate? What are the economic and political benefits and challenges of forming the various regional groupings? What investment policies are currently in place in the region, and what investment policies should be in place?*

13:55 – 14:15

### **An Institutional Framework for Pan-Asian Connectivity**

Biswanath Bhattacharyay  
Adviser to the Dean, Asian Development Bank Institute

*Dr. Bhattacharyay's paper will focus on Asia's increasingly central role in global production, trade, capital formation, and productivity growth. He proposes an institutional framework for building pan-Asian infrastructure connectivity through regional cooperation.*

14:15 – 14:25	<i>Discussion on Trade and Investment Policy in the Region</i> Ponciano Intal Senior Researcher, Economic Research Institute for ASEAN and East Asia	
14:25 – 14:35	<i>Discussion on An Institutional Framework for Pan-Asian Connectivity</i> John Moon Chief, Transport Policy and Development Section, United Nations Economic and Social Commission for Asia and the Pacific	
14:35 – 15:00	Open Floor Discussion	
<b>Session IV</b> Chairperson	Andrew MacIntyre Dean, College of Asia and the Pacific, Australian National University	
15:00 – 15:20	<b>Political Economy of Regional Integration and Cooperation</b> Rodolfo Severino Head, Asian Studies Center, Institute of Southeast Asian Studies  <i>Dr. Severino will review the current status of economic and financial integration and cooperation efforts in the region, including costs and benefits. His paper will assess why progress toward regional economic and financial integration in Asia has been notably slow compared with developments in Europe and the Americas.</i>	
15:20 – 15:40	<b>Governance and Regional Economic Integration in Asia from a European Perspective</b> Robert F. Owen Professor, University of Nantes Visiting Fellow, Asian Development Bank Institute  <i>Prof. Owen will focus on issues related to governance and regional economic integration in Asia from a European perspective. The analysis highlights key conceptual issues related to specific mechanisms which determine how national and regional governance potentially impacts the international economic process, along with national economic performance and competitiveness, as well as the collective returns to regional economic cooperation and integration.</i>	
15:40– 15:50	<i>Discussion on Political Economy of Regional Integration and Cooperation</i> Myo Thant Principal Regional Cooperation Specialist, Regional and Sustainable Development Department, Asian Development Bank	
15:50 – 16:00	<i>Discussion on Governance and Regional Economic Integration in Asia from a European Perspective</i> Yonghyup Oh Director, Korea Institute for International Economic Policy	
16:00– 16:25	Open Floor Discussion	
16:25 – 16:40	Coffee Break	
16:40 – 17:40	<b>Panel Session</b>	
Moderator	Masahiro Kawai	
Panelists	Mohammed Ariff Eric Girardin Yiping Huang	Jong-Wha Lee Rodolfo Severino Kanhaiya Singh
17:40 – 17:55	<b>Closing Remarks</b> Masahiro Kawai	