

world. Again, Asia seems to have done better than the rest on battling its way through misfortunes.

One should guard against exaggerated extrapolations, but a pattern seemed to be developing. And this is where Julia comes in. We discovered in January 2014 that we each had the same idea about developing a book on this theme, so we decided to join forces. And, within a year, after much hard work, persistence and dedication by many people, not least Julia herself, a book has been born which OMFIF is proud to publish.

Many Asian precepts for dealing with volatile capital flows, principally through interfering with untrammelled market forces through capital controls, foreign exchange intervention and other measures, were condemned by mainstream international opinion 15 years ago. The world has since changed tack, and these measures have now been generally accepted in global policy-making councils.

Some of these steps would be self-defeating if all finance ministries and central banks applied them at once; not all countries can simultaneously hold down the value of their currencies against everyone else. But the world community plainly accepts the intellectual, political and economic validity of these concepts in a way that it did not do before.

In this overriding spirit of encouraging different parts of the world to glean lessons from each others' experiences, and to pool forces in their own and others' best interests, I commend the book to our readers.

## Contents

The world turned upside down – Meghnad Desai	xiii
Building defences against the fires – John Nugée	xv
1 Asia's opportunity	1
2 The American way and its consequences	15
3 Japanese hopes: the path of Abenomics	33
4 China's struggle for balance and control	49
5 Hong Kong and Singapore build a macroprudential future	67
6 Emerging Asia rides the capital waves	81
7 Korea's solutions on financial liberalisation	95
8 An Asian framework for monetary and financial stability	105
Acknowledgments	127
Notes	129
Sources and bibliography	137
Author meetings	145
Index of charts	153
Index	155