

## **Abstract (summary):**

Many recent analyses of exchange rate regimes are based on the concept of how much exchange market pressure is taken on the exchange rate versus changes in reserves as a proxy for official intervention. However, the popular method of taking ratios of variations of exchange rate and reserve change is inadequate to deal with trends problems and with cases of leaning with the wind intervention. Nor does it identify that at least two parameters are required to classify exchange rate regimes: One related to trends and one related to management around trends.

The Two Parameter Exchange Market Pressure (TPEMP) framework is developed from the concept of exchange market pressure to characterize exchange rate regimes taking into account such problems. It uses two parameters, a trend coefficient and propensity to intervene around trend.

My dissertation applies the TPEMP framework to a number of countries that have been the center of attention.

While Japan has been classified by several studies as an example of a highly flexible or free floating exchange rate regime, the TPEMP framework finds that prior to the cessation of intervention in 2004, Japan had substantially increased intervention during the post Asian crisis period relative to the precrisis period.

The TPEMP framework supports the idea that Asian countries have moved toward flexible exchange rate regimes after the crisis with the exception of announced pegs such as Malaysia and Singapore. Indeed, interventions in Korea, Indonesia, and Thailand have been weaker during the postcrisis relative to the precrisis. It also finds that there exists evidence on fear of floating in Indonesia and Thailand. Both nations have increased interventions again. However, it does not support McKinnon and Schnabl's argument of Asia generally having returned to soft dollar pegs. Korea has reduced intervention and interventions in Indonesia and Thailand during the postcrisis period, although having increased, are weaker than the precrisis pegs.