# Report Information from ProQuest

October 20 2013 19:20

# Table of contents

## Essays on Monetary Policy Stance in East Asia

**Author:** Poesoro, Adri Asmoro Laksono

**Publication info:** The Claremont Graduate University, ProQuest, UMI Dissertations Publishing, 2013. 3558350.
ProQuest document link

**Abstract:** Monetary policies in East Asian countries, i.e. Indonesia, South Korea, Thailand, and Malaysia, have undergone major changes after the Asian crisis. Indonesia, South Korea, and Thailand have switched to a more flexible exchange rate system and seek price stability through an inflation targeting monetary policy framework. Malaysia, on the other hand, imposed fixed exchange rate with selective capital controls in the aftermath of the Asian financial crisis.

In this dissertation, I use a Structural Vector Autoregression (SVAR) model developed by Bernanke and Mihov (1998) over the pre and post-Asian crisis period to measure monetary policy stances and to estimate the possible impacts of the monetary transmission mechanisms to real output, prices, and capital flows. Following recent research that shows that monetary stances should not be measured by one variable alone, I consider three policy variables, short-term interest rates, monetary aggregates, and the exchange rate for this analysis. I also replicate the study by replacing variable exchange rate with the exchange market pressure (EMP) index in order to have a comparison.

Both models plausibly identify a shift in monetary policy framework between pre- and post-crisis periods. The models show that Indonesia, South Korea, and Thailand have switched to a more flexible exchange rate system and adopted inflation targeting in monetary policy. The impulse responses analysis also provides results that are consistent with monetary theory.

In the third essay, I analyze the monetary policy reaction functions to see to what degree monetary policy strategies in Indonesia, South Korea, and Thailand are concerned with future inflation relative to the output gap, real exchange rate and the Fed funds rate by utilizing the Generalized Method of Moment (GMM) of Hansen (1982). I find that for all of those monetary authorities in these countries act to stabilize inflation by increasing the real interest rate when inflation increases. I also find that the sensitivity of domestic monetary policies to U.S interest rate and real exchange rate has declined since they adopted a more floating exchange rate regime after the crisis.

**Links:** Linking Service

**Subject:** Economics; Finance;

**Classification:** 0501: Economics; 0508: Finance

**Identifier / keyword:** Social sciences, Capital flows, Exchange market pressure, Monetary policy stance, Monetary rule, Asian financial crisis

**Number of pages:** 166

**Publication year:** 2013

**Degree date:** 2013

**School code:** 0047

**Source:** DAI-A 74/08(E), Feb 2014

**Place of publication:** Ann Arbor

**Country of publication:** United States

**ISBN:** 9781303027659

**Advisor:** Willett, Thomas D.

**Committee member:** Bird, Graham, Efremidze, Levan

**University/institution:** The Claremont Graduate University

**Department:** School of Politics and Economics

**University location:** United States -- California

**Degree:** Ph.D.

**Source type:** Dissertations & Theses

**Language:** English

**Document type:** Dissertation/Thesis

**Dissertation/thesis number:** 3558350

**ProQuest document ID:** 1350640330

**Document URL:**
http://ccl.idm.oclc.org/login?url=http://search.proquest.com/docview/1350640330?accountid=10141