The Impact of the Economic Crisis on East Asia
Policy Responses from Four Economies

Edited by
Daigee Shaw
President, Chung-Hua Institution for Economic Research, Taiwan

Bih Jane Liu
Vice President, Chung-Hua Institution for Economic Research, Taiwan

IN ASSOCIATION WITH THE CHUNG-HUA INSTITUTION FOR ECONOMIC RESEARCH

Edward Elgar
Cheltenham, UK • Northampton, MA, USA
Contents

List of contributors vii
Preface viii
Acknowledgments xi
List of Abbreviations xii

PART I FINANCIAL SYSTEM AND FINANCIAL CRISIS

1 The global financial crisis: lessons for Taiwan
   Sheng-Cheng Hu 3

2 A perspective on the US dollar after the current financial crisis:
   lessons from the fall of the pound sterling and the gold
   standard after World War I
   Lee-Rong Wang 29

3 De-privatization? Case studies of government banks’
   performance in developing countries during the financial crisis
   Chung-Hua Shen and Chih-Yung Lin 47

PART II IMPACTS, CONSEQUENCES AND POLICY RESPONSES

4 Why world exports are so susceptible to the economic crisis:
   the prevailing ‘export overshooting’ phenomenon, with
   particular reference to Taiwan
   Bih Jane Liu 67

5 The impact of the global financial crisis on the Taiwanese
   economy and its industrial policy in response
   Jiann-Chyuan Wang and Chia-Hui Lin 94

6 The American crisis and Korean financial distress
   Un Chan Chung 115

7 Why was Japan hit so hard by the global financial crisis?
   Masahiro Kawai and Shinji Takagi 131

8 China’s policy responses to the global financial crisis
   Yongding Yu 149
The impact of the economic crisis on East Asia

PART III POLICY CONSTRAINTS

9 Fiscal discipline in the recovery from a global financial crisis 165
Chih-Chin Ho, Yu-Shan Hsu and Ching-Shin Mao

10 A challenge to sustainable development: the dual crisis of energy and the economy 190
Daigee Shaw and Pi Chen

Index 205