

# International Monetary System: Past, Present and Future.

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International Monetary System: Past, Present and Future, by Dr. Debesh Bhowmik (Editor), Regal Publication, New Delhi, 2016 Page xlix+351, Rs. 1780/

International Monetary System: Past, Present and Future is an extraordinary book in which, through numerous scientific articles (papers) that were compiled and edited by Dr. Debesh Bhowmik, the important issue of the international monetary system is approached from a broad perspective in its economic, historical, technological, regional and even political aspect in relation to relevant topics such as economic crisis, development, international trade and theoretical discussions about the orthodox and heterodox approach. In particular, in this volume we find the contribution of relevant economists as Matias Vernengo (professor at the Bucknell University--USA), David Fields (professor at the University of Utah--USA), Dante A. Urbina (Saint Ignatius of Loyola University-Peru) and Carlos Aquino Rodriguez (professor at the National University of San Marcos--Peru) as well as several scholars from India such as Asim Kumar Karmakar, Sebak Kumar Jana, Mahendra Pal, Ajoy Pandey, among others.

The book is quite extensive, so that in this review only some of its most important, representative and/or interesting points will be discussed.

In Introduction Dr. Debesh Bhowmik contextualizes the historical evolution of monetary systems by explaining silver standard, bimetallic standard, gold standard, Bretton Woods agreement, Special Drawing Rights (SDR), etc. He also develops proposals for the reform of the monetary system and financial institutions. This is absolutely necessary, as has also been emphasized in the Basel III Agreement after the crisis.

Part I discusses the economic theories of the international monetary system and starts with the paper entitled "The International Monetary System and the Global Financial Integration" by Asim Kumar Karmakar and Sebak Kumar Jana in which they postulate the interesting thesis that currency crises, banking crises, systemic financial crisis and foreign debt crisis are ultimately the result of the instability of the international monetary system in the context of globalization and distorting action of supranational organizations like the IMF which are subject to moral hazard problems. This is very interesting because it implies that the same institutions intending to manage and implement (impose?) the solutions to this kind of problem are the same that, at least substantially, have caused them. It is also relevant the paper "Dollarization" in which Fields and Vernengo argue that we are in an international system in which the dollar is a de facto a global fiat currency, what is mainly evidenced by the fact that the key international commodities, including oil, are priced in US dollars in international markets. Quite valid in our time, but it leaves an open question: Will dollarization remain sustainable in a world where China aims to clearly overcome US hegemony in a few decades or even years?

In Part II the global financial crisis and its impact are addressed more specifically. And precisely there it begins with a paper which addresses the question raised formerly set. Indeed, in "Hegemonic Currencies During the Crisis: The Dollar versus the Euro in a Cartalist Perspective" Fields and Vernengo indicate that, despite its progress, China will not easily overcome the dollar hegemony because of the inconvertibility of its currency and its lack of development of financial markets, so that the dollar will still remain for a while as "the American currency, but the world's

problema". On the other hand, Sukanta Sarkar and Suman Kalyan Chaudhury, in their paper "Global Financial Crisis: Causes, Trends, Consequences and Remedial Policies" study the dynamics of financial crises in the United States, Spain, Argentina, Asia and Greece, among others, and propose measures such as expansionary macroeconomic policies, protection of domestic industry, progressive taxation and financial system reform. The point here is: Can economists and policy makers build a different postcrisis world which ensures the stability and progress of economies if they are guided almost exclusively by a conventional pre-crisis economic theory that has already shown its failure?

Part III analyzes the monetary system in terms of regions and blocs. In this regard we have the paper "Re-examining the SDR's Role in the New Context of Today's Globalized World" in which Mitra and Saha argue that the system of Special Drawing Rights (SDR) might work better if it incorporates, in an extended and consistent way, currencies like yuan and rupee. Moreover, in their paper "Framework of Monetary Policy in the Region under SAARC" Sourav Naskar and Kishore Kumar Das focus on the strengths, challenges and opportunities of the South-Asian Association for Regional Cooperation (SAARC) and its monetary scheme. All this suggests that we cannot continue with the paradigm of "one world" in which a uniform hegemony is imposed but that we must go towards a paradigm of "a world for all" in which the various regions and economies can achieve, from its heterogeneity, development, monetary and financial stability.

Finally, Part IV of the book deals with international trade. It begins with the paper "Future Market and Inflation: An Econometric Investigation into Metal and Energy Futures" in which Behera, studying price index of gold, silver, copper, oil and natural gas, concludes that futures trading does not cause a higher inflation, but rather factors such as supply constraints or others in a global level. In this regard, an interesting point to consider would be whether in the food market is true that futures trading increases inflation because, if so, this would mean that many poor people starve due to the fact that a few rich people speculate on prices. In addition, in this section of the book we find several papers that address the issue from the Indian perspective as "Foreign Trade Scenario of India and Bangladesh: An Empirical Study" by Debjani Mitra and Sudipta Sarkar, "India's Export Efficiency and Economic Growth During Pre-WTO and Post-WTO Periods: An Approach to DEA" by Dipika Basu and Arun Kumar Nandy, and "A Detailed Study of Changing Foreign Trade Pattern of India Before Pre-Reform Liberalization Era: Factors and Cases" by Syed Shahid Mazhar, Anisur Rehman and Farhina Sardar Khan. All this is especially important since India is already establishing itself as the third largest economy in the world, so that anyone who talks about international economy without taking into account India will necessarily incur into gaps or misunderstandings.

On balance, given the above, the book International Monetary System is of considerable importance to understand the financial and monetary context of the international economy on a broad view and, therefore, it is essential for scholars who want to delve into this field of study.