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主 論 文 の 要 旨

論文題目

為替政策に関する実証分析
Essays on the Exchange Rate Policy

氏 名

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論 文 内 容 の 要 旨

Monetary policy is adopted by the monetary authority, the central bank, of a nation with the ultimate goals, are to obtain price stability and to support economic growth. The central bank can control either domestic interest rate (i.e., policy rate), money supply, and exchange rate. Another important mission of the monetary authority is to ensure the credibility of the nation's currency. However, the discussion on the choice of exchange rate regime is still controversial in the international macroeconomic nexus as the appropriate exchange rate is one of the other key policies for a country to achieve robust economic growth. The movement of the exchange rate has both direct and indirect impacts on macroeconomic variables. The depreciation or appreciation directly affects the prices of goods and services and indirectly on inflation, interest rate, labor market, and other economic activities. The exchange rate also plays a vital role in the applied trilemma theorem as well.

The impossible trinity theorem has become a fundamental of macroeconomics of open economies in the 1980s, by which time capital controls have almost been abandoned with the conflicts of the pegged exchange rate and monetary autarky. From the late 1990s, economists included the new terminology “trilemma” into the broader economic literature. Then, they

developed methodologies to empirically validate this critical hypothesis in international macroeconomics (Obstfeld et al., 2005). For more than two decades, developing countries have attempted to increase the level of financial openness. The implication of trilemma policy is still under discussion in recent macroeconomics. The trilemma implies only two out of three objectives can be attainable; hence, policymakers need to choose which one to give up.

Essentially, the exchange rate plays an important role in the balance of payment (BOP) position of any country. Many studies provide evidence of a long-term relationship between BOP and exchange rate. There are also bidirectional causalities between BOP and controlled variables such as government expenditure, exchange rate, real GDP, money supply, interest rate, and openness – share of total trade to gross domestic product (Iyoboyi and Muftau, 2014).

In this dissertation, there are five chapters. Chapter 1 is the introduction. Chapter 2 is the literature review. Chapter 3 discusses about the impossible trinity analysis evidence from cross countries. Chapter 4 examines the impact of the exchange rate and dollarization on the balance of payments of Cambodia. Last but not least, chapter 5 concludes and provides policy recommendations.

The third chapter is on the “Impossible Trinity Analysis – the Choice of Exchange Rate Regime”. The implication of trilemma policy is still under discussion in recent macroeconomics. The trilemma implies only two out of three objectives can be attainable hence the policymakers need to choose which one to give up. This chapter contributes to the literature by applying a multinomial logit model, where the exchange rate regime is the categorical dependent variable, with the combination of financial integration and monetary independence over 18 years for 171 countries. Also, I divide the sample into three income-groups, according to the World Bank classifications. Those groups are low-income, middle-income, and high-income economies. There are three main findings: (i) the impossible trinity holds at rounding the corner where a high degree of the financial integration and monetary independence coexist with the intermediate regime, (ii) at least, there is a quadratic relation between exchange rate regime and financial integration for the low-income

economies, and (iii) the controlled variables – logarithm of real GDP, ratio of the average of exports plus imports to GDP, standard deviation of the terms of trade, inflation rate, share of mineral export to total export, total reserves in months of imports, dummy variable for ASEAN countries – incorporated in this paper, are significant in choosing exchange rate regime with different impact magnitude.

The fourth chapter is the “Impact of the Exchange Rate and Dollarization on the Balance of Payments of Cambodia: An Autoregressive Distributed Lag Approach”. REER overviews the strength of a country’s competitiveness. It is also a summary measure of the changes in the exchange rates of a country vis-à-vis its trading partners. Besides REER, the other controlled variables are broad money growth rate, and the ratio of foreign currency deposit to total deposit - dollarization indicator. After conducting statistical analysis on the applied dataset, the appropriate econometric model in this paper should be autoregressive distributed lag (ARDL) in error correction form. There are three main findings (i) the increase of REER or an improvement in Cambodia’s competitiveness leads to a decline of BOP both in the short- and long run (ii) the increase of M2 is in line with the rise in BOP and (iii) the increase of dollarization in the case of Cambodia is associated with the increase of FDI and bank lending from abroad (classified as other investments in the BOP); therefore, the financial account declines, and BOP improves. I also employ the REER using IMF data in the regression for robustness check, and the results are all consistent.

The fifth chapter is the “Conclusion and Policy Recommendations”. I summarize the important monetary policy implication according to the findings of each essay. It might be useful to provide some challenges that I faced during writing of these essays such as data limitation, and/or how to choose an appropriate methodology for future studies.

There are several policy suggestions that I would like to propose:

- A fixed exchange rate can be the right choice for economies (the result in this paper suggests low-income economies) where monetary policy autonomy is hardly to achieved.

- Countries with healthy financial infrastructure shall adopt a floating exchange rate regime. Typically, a flexible exchange rate supports a market-based and financially liberalized economy and should also have a significant advantage in response to shocks.
- The source of dollarization is critical in analyzing its impact on economic activities in the long run. In the case of Cambodia, if the level of dollarization increases due to FDI and other investments (local banks borrow from foreign banks), the BOP position in the long-term will improve. However, high degree of dollarization is generally associated with low monetary policy credibility, leading to the limitation of implementing the instruments. Therefore, the central bank should de-dollarize and promote local currency, particularly in the banking system. This strategic plan needs involvement from inter-ministries. However, as the central bank, NBC should work closely on this plan to build public credibility.