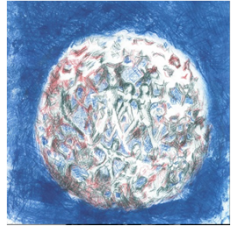




Two tales of global (financial) governance

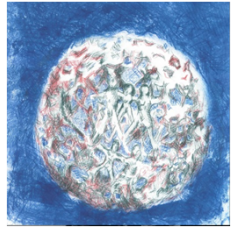
Peter A.G. van Bergeijk

Institute of Social Studies, Erasmus University



Global Public Goods

- Institutions
- Rules and Regulations
- Norms, standards, values
- Public and private sector supply
- Time consuming
- More difficult when number of actors increases.



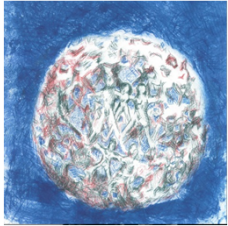
The mandate of the FSB is to:

- **assess** vulnerabilities affecting the financial system and **identify** and oversee action needed to address them;
- **promote** co-ordination and information exchange among authorities responsible for financial stability;
- **monitor** and **advise** on market developments and their implications for regulatory policy;
- **advise** on and **monitor** best practice in meeting regulatory standards;
- undertake joint strategic **reviews** of the policy development work of the international standard setting bodies to ensure their work is timely, coordinated, focused on priorities, and addressing gaps;
- **set guidelines** for and support the establishment of supervisory colleges;
- **manage contingency planning** for cross-border crisis management, particularly with respect to systemically important firms; and
- **collaborate** with the IMF to conduct Early Warning Exercises.

Membership: *Argentina, Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Mexico, Netherlands, Korea, Russia, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Turkey, UK, USA (25)*



**TALE I: ONCE UPON A TIME WE HAD
ONE EARTH**



Robert Wade

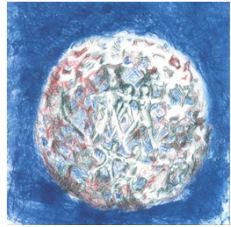
(Development and Change 2009)



The World Bank and the IMF (...) pay **remarkably little attention to the global economy**, instead taking the country as the unit and seeing the world economy as an aggregate of countries.

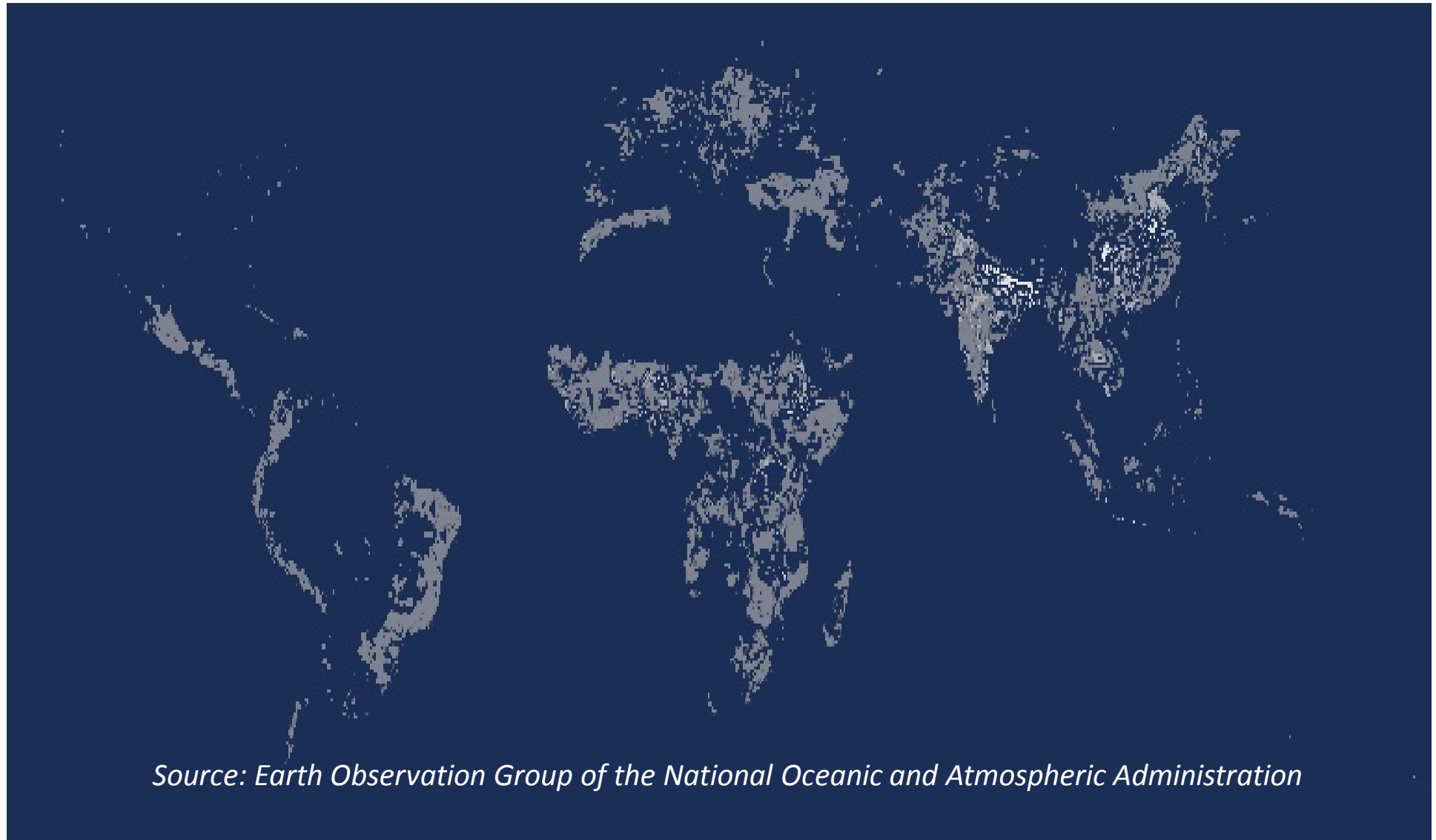
The whole thirty-year run of the World Bank's flagship, *The World Development Report*, takes the country as the unit of observation and prescription, and **says very little about the international system in which countries have to operate.**

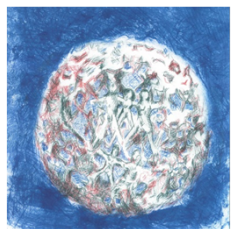
The recent push away from macroeconomics towards thinking small reinforces the same tendency



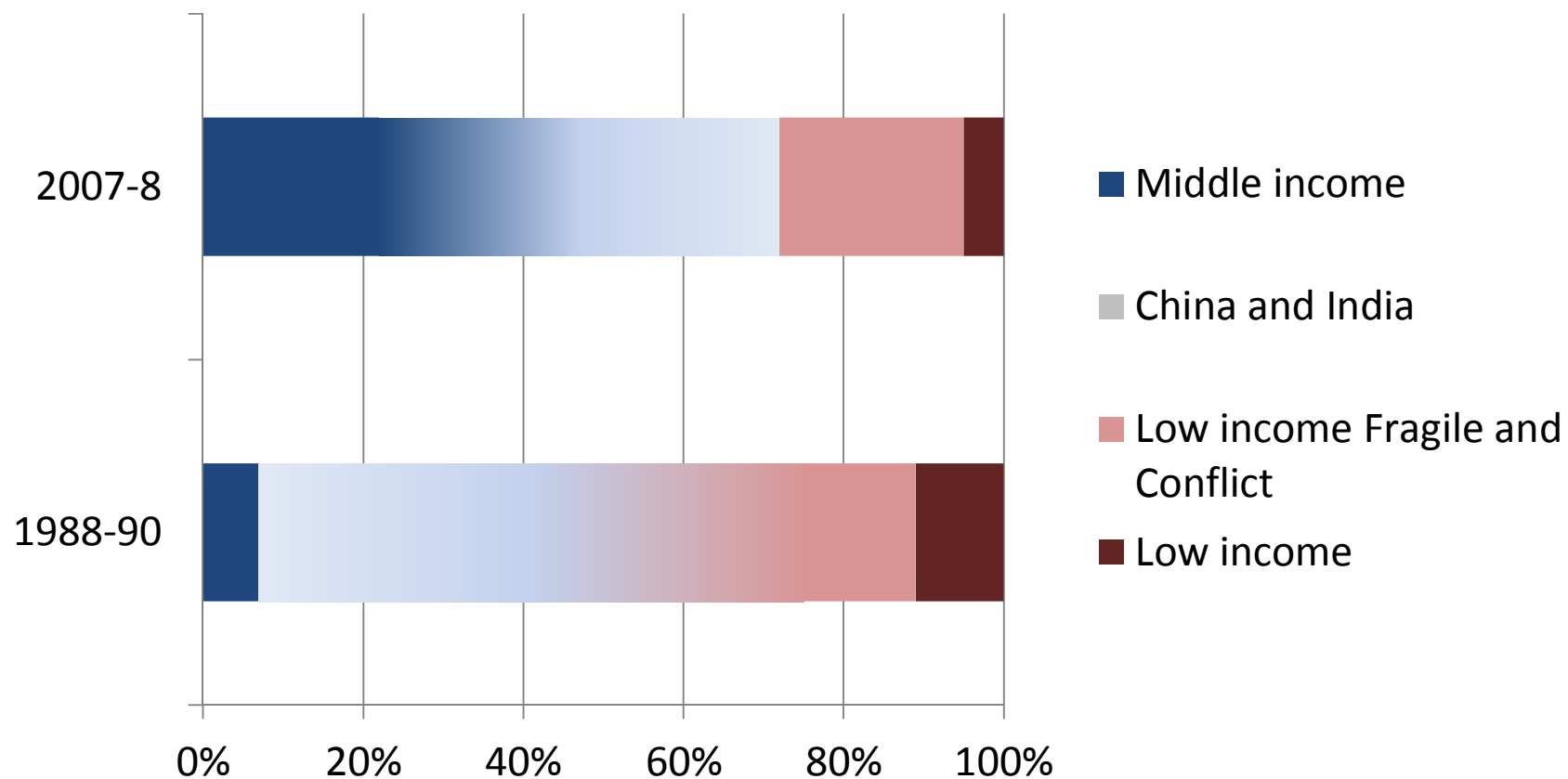
DMSP satellite F15 night-time lights

LandScan 2004 population count

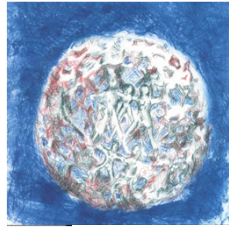




Where did and where do the Global Poor live?



Source: Sumner 2010, Table 4.2



YESTERDAY



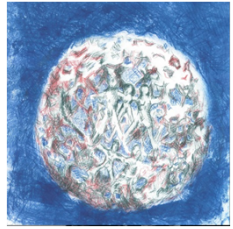
FINISH YOUR DINNER-
THERE ARE PEOPLE IN
CHINA AND INDIA WHO
ARE STARVING...

TODAY



FINISH YOUR HOMEWORK-
THERE ARE PEOPLE IN
CHINA AND INDIA WHO
ARE STARVING FOR
YOUR JOB...

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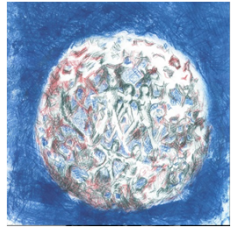
Theories of global public good provision

Mancur Olson



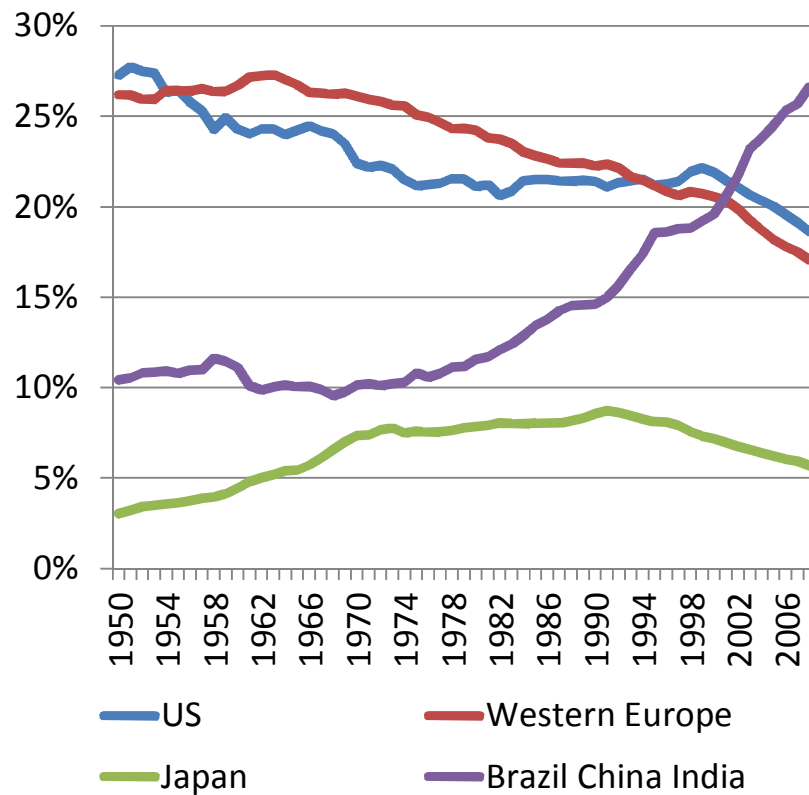
Charles Kindleberger





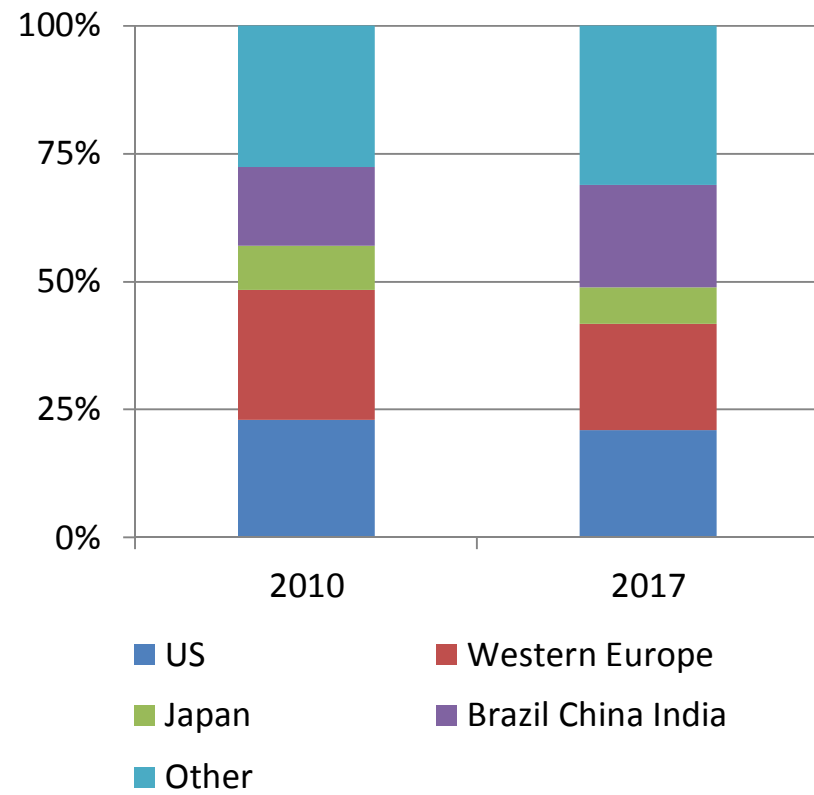
Geo-economic shifts create fragmentation

Share in GPP 1950-2008

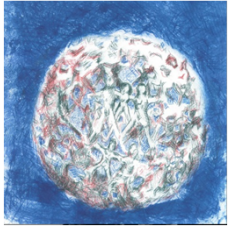


Source: Maddison's historical series

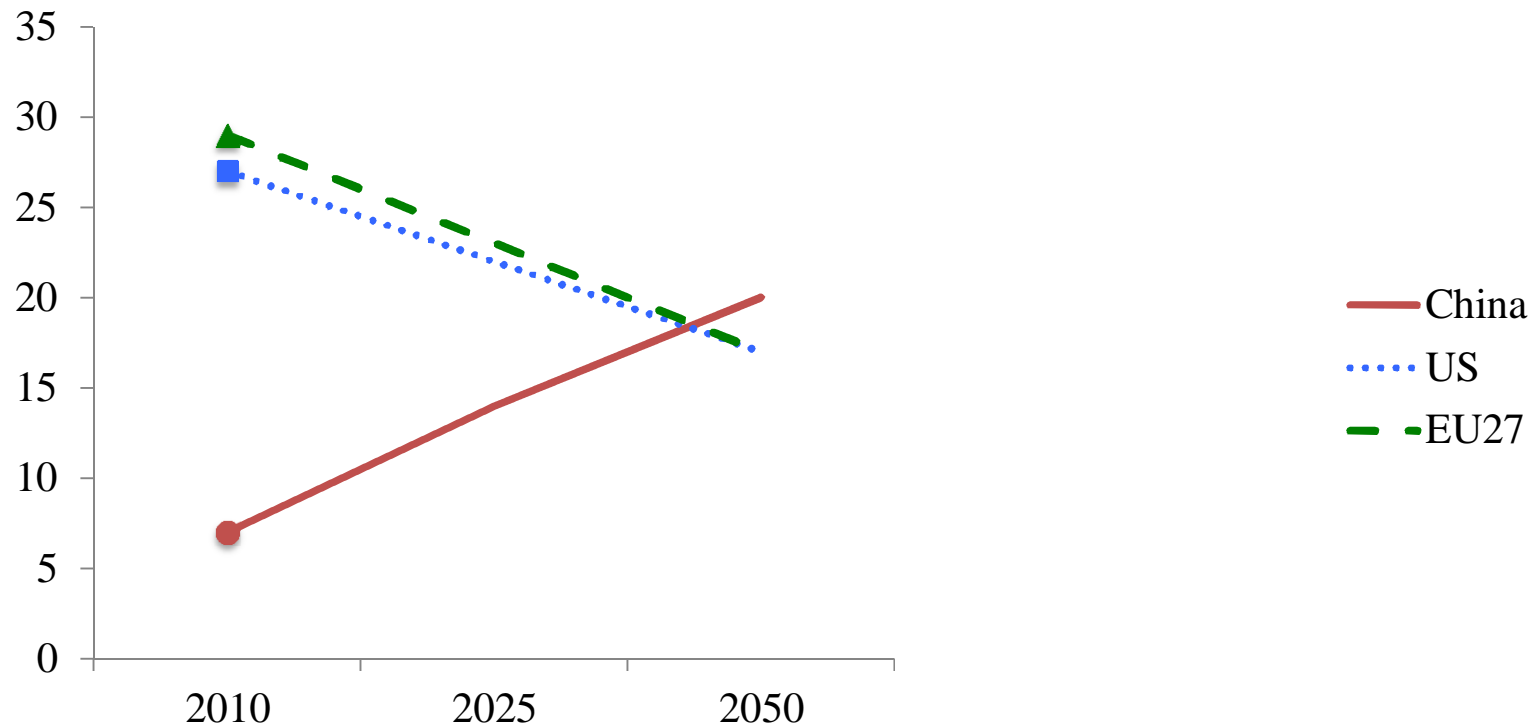
Share in GPP 2010-2017



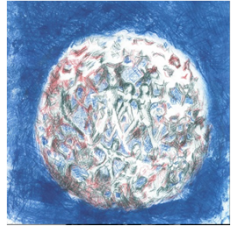
Source: IMF world economic outlook data base



Shares in GPP 2010-2050



Source: CEPII, *The Great Shift* WP 2012-3

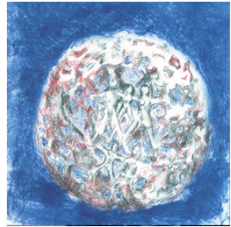


Four Implications

1. Global public goods do not recognize borders
2. Window of opportunity that could close
“quickly”
3. The Emerging Economies need to be involved
ASAP
4. The integration should be cooperation
amongst **peers**

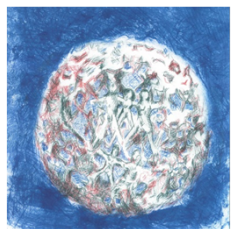
A glowing, textured sphere with intricate patterns in red, blue, and white, set against a dark blue, starry background. The sphere has a complex, crystalline or organic structure with many small, sharp protrusions and recessions. The patterns on the sphere are dense and colorful, with red and blue being the most prominent. The background is a deep blue with numerous small, bright white stars, giving it a cosmic or space-like appearance. The overall lighting is soft and ethereal, with the sphere being the primary light source.

TALE II: THE FORGOTTEN TALE

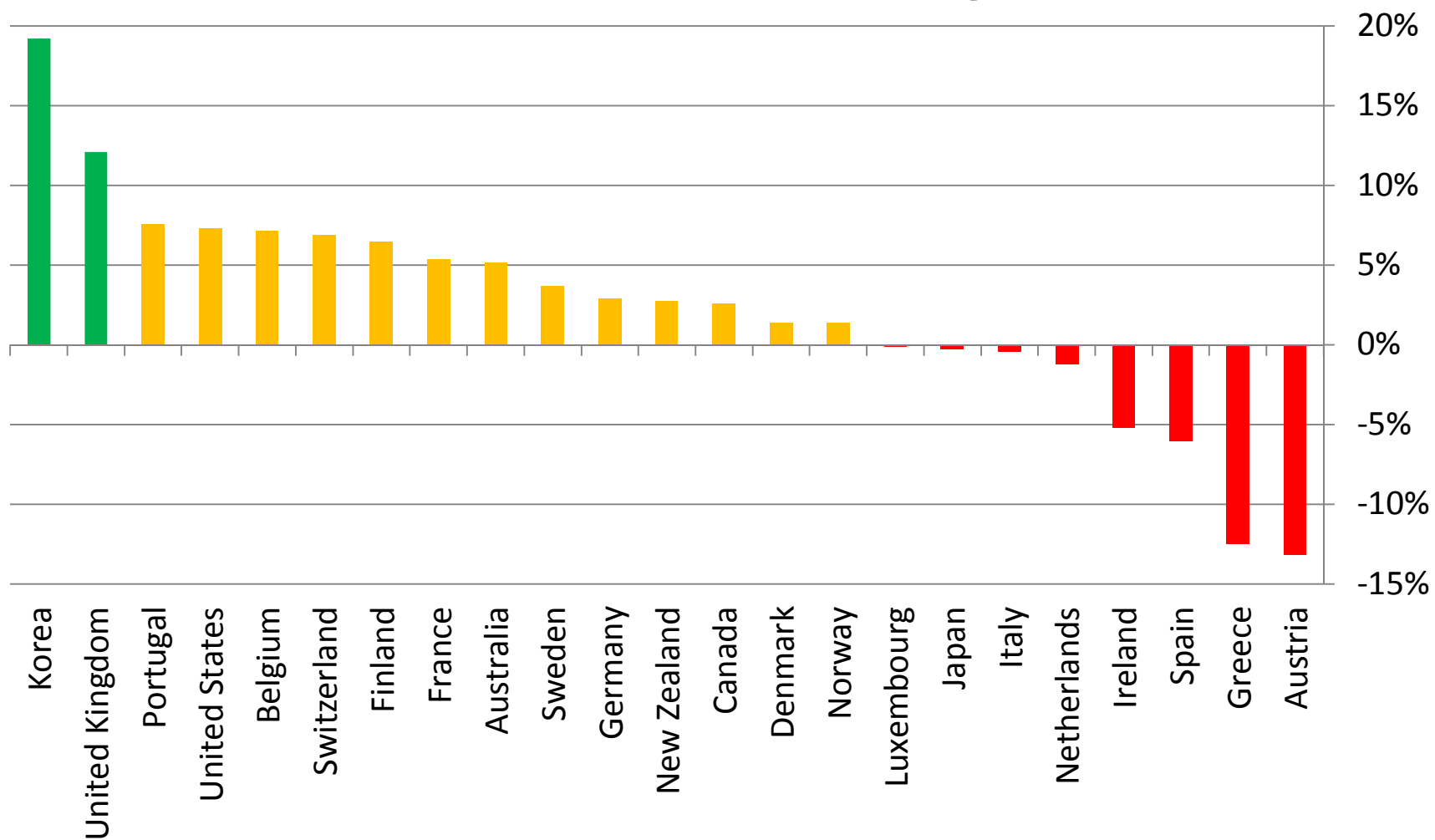


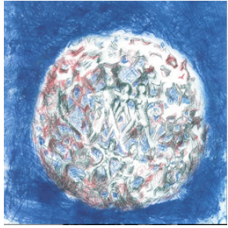
48 LDCs and the crisis

- 27 LDCs experienced a growth slowdown or negative growth
- 25 LDCs saw their resource gap increase
- 31 LDCs had lower private inflows
- 25 LDCs had lower remittances receipts
- Net ODA decreased for 32 LDCs



Average annual real growth rate of ODA 2008-2011 by donor

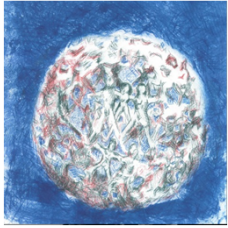




LDCs and MDGs

	Achieved	On Track	Total	
Poverty	2	3	5	
Depth of hunger				
Universal primary education	2	0	2	
Gender parity in secondary education	2	5	7	
Under-five mortality	0	3	3	
Safe drinking water	6	4	10	
Access to Sanitation	2	1	3	

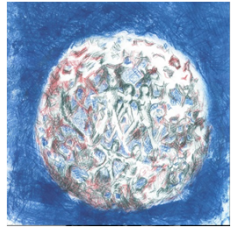
Source: calculations based on Go and Quijada, (2011), Table 1, page 8 and World Development Indicators 2013

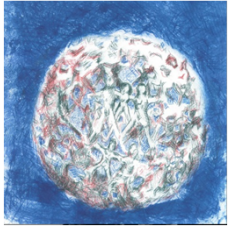


LDCs an MDGs

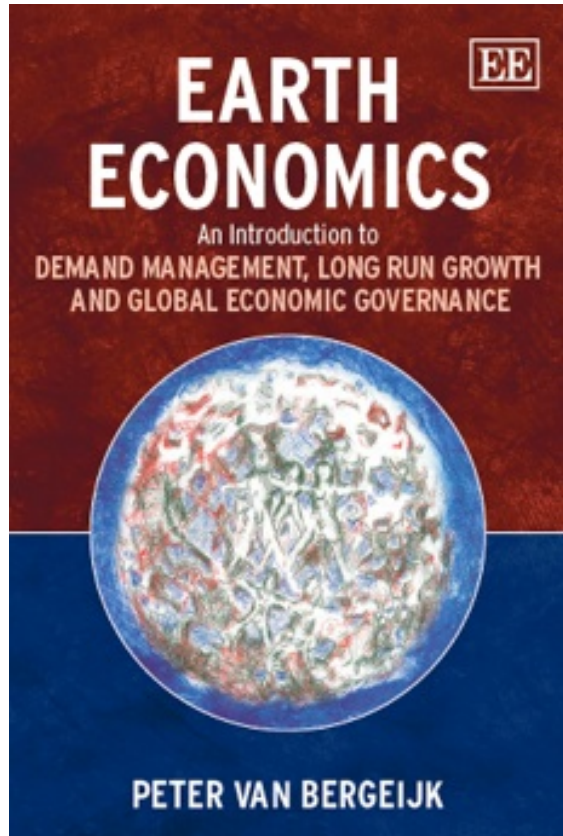
	Achieved	On Track	Total	Deteriorated
Poverty	2	3	5	
Depth of hunger				13
Universal primary education	2	0	2	9
Gender parity in secondary education	2	5	7	7
Under-five mortality	0	3	3	1
Safe drinking water	6	4	10	5
Access to Sanitation	2	1	3	2

Source: calculations based on Go and Quijada, (2011), Table 1, page 8 and World Development Indicators 2013





Thank you



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No. 542

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Impact on the Least Developed Countries

Peter A.G. van Bergeijk

May 2012

More on this on www.iss.nl/edem