



Initiative for Policy Dialogue

## Policy Responses to Unfettered Finance

Organized by The North-South Institute  
Hosted by the Initiative for Policy Dialogue  
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First Workshop: Columbia University, New York, February 12-13 2009

<b>Thursday, February 12, Jed D. Satow Conference Room, 5<sup>th</sup> Floor, Alfred Lerner Hall</b>	
8:30	<b>Breakfast</b>
9:00	<b>Welcome and introductions</b> José Antonio Ocampo and Roy Culpeper
9:15	<b>Introduction to the PRUF project</b> Roy Culpeper <ul style="list-style-type: none"> <li>• <i>Deficits in current regulatory and capital adequacy framework</i></li> <li>• <i>New roles for existing IFIs</i></li> <li>• <i>Rethinking monetary and financial sector objectives and policies</i></li> </ul>
9:45	<b>Systemic Reform: Key Issues and Opportunities</b> José Antonio Ocampo <ul style="list-style-type: none"> <li>• <i>Towards a development-friendly international financial architecture</i></li> <li>• <i>Principles and priorities to inform institutional design and development</i></li> </ul>
10:15	<b>Coffee Break</b>
10:30	<b>Discussion moderated by Jan Joost Teunissen</b> <ul style="list-style-type: none"> <li>• <i>Could increasing regulatory tightness at the beginning of this economic downturn have the effect of reducing credit when most needed?</i></li> <li>• <i>How can a reform of Basel 2 adopt a framework based on counter-cyclical objectives?</i></li> <li>• <i>What international standards can be given for national monetary policies to include inflation in asset prices among their objectives?</i></li> <li>• <i>How can the IFI's governance be made more accountable to emerging developing countries? What role should the UN have in them?</i></li> <li>• <i>How can the IMF be made more effective in maintaining the stability of the monetary and financial system when threats come from developed countries?</i></li> </ul>
12:30	<b>Lunch</b>
14:00	<b>Financial Innovations and New Actors</b> Aniket Bhushan and Pablo Heidrich

	<ul style="list-style-type: none"> <li>• <i>Innovations in business models and understanding of ‘risk’</i></li> <li>• <i>Realignment of incentive structures and short-term bias</i></li> <li>• <i>Emerging strengths and weaknesses of the BRIC and other large developing economies</i></li> <li>• <i>Decoupling versus contagion as the basis for BRICS role in reforming global finance</i></li> </ul>
14:50	<p style="text-align: center;"><b>Discussion moderated by Jose Antonio Ocampo</b></p> <p><b>Financial Innovations and Regulatory Challenges</b></p> <ul style="list-style-type: none"> <li>• <i>How do financial innovations and systemic leverage relate? How can regulation stay in step with financial innovation?</i></li> <li>• <i>What are the incentives to encourage innovations with more positive than negative externalities, and with a long-term rather than short-term bias?</i></li> <li>• <i>Changes in banking business models are known to stimulate financial innovation and, sometimes, instability. How will that be accounted for in future regulations?</i></li> </ul> <p><b>New Actors and Global Financial Negotiations</b></p> <ul style="list-style-type: none"> <li>• <i>Given the crisis-revealed strengths and weaknesses of the BRICS-EMs, what will be their main interests to reform the global financial architecture in the coming G-20 Meeting?</i></li> <li>• <i>What do the BRICS-EMs in the G-20 want more voice in the IFIs for? Do they have a global view for change in the IFIs or just specific interests?</i></li> <li>• <i>What representativeness the emerging countries at the G-20 have for the developing world as a whole? Or should the emergency nature of the response be given priority?</i></li> </ul>
15:30	<b>Coffee Break</b>
15:45	<p style="text-align: center;"><b>Reviewing the Reform Agenda: the G20</b> Eric Helleiner and Stephany Griffith-Jones</p>
16:45	<p style="text-align: center;"><b>Discussion moderated by Jose Antonio Ocampo</b></p> <ul style="list-style-type: none"> <li>• <i>Right after acrimonious debates at the WTO, is it surprising that the G-20 came out with such cohesive and comprehensive message?</i></li> <li>• <i>Under what conditions can a change in the composition of the Financial Stability Forum herald change in the regulation of global finance?</i></li> <li>• <i>Given the current problems of the US and UK financial sectors, will a new financial architecture be more informed by European and East Asian preferences? What does change overall?</i></li> </ul>
17:45	<p style="text-align: center;"><b>Reception</b> At the galleria outside of Jed D. Satow Conference Room</p>
18:30	<p style="text-align: center;"><b>Dinner</b> At Room 569, of the Alfred Lerner Hall</p>

February 13

<b>Friday, February 13, Jed D. Satow Conference Room, 5<sup>th</sup> Floor, Alfred Lerner Hall</b>	
8:30	<b>Breakfast</b>
9:00	<b>Civil Society Perspectives on Financial Reform</b> John Foster and Jo-Marie Griesgraber <ul style="list-style-type: none"><li>▪ <i>Inclusiveness, legitimacy and accountability as viewed from Doha to Washington</i></li><li>▪ <i>The locus of decision-making, use of universal and specific forums and the relation between them</i></li><li>▪ <i>Civil society and the crises: how best are human impacts best assessed and represented?</i></li></ul>
9:40	<b>Discussion moderated by Roy Culpeper</b> <ul style="list-style-type: none"><li>• <i>Is the governance of the global financial system in crisis or not? Does that crisis merit a comprehensive transformation or just iterative reform?</i></li><li>• <i>Why isn't the UN or the G-192 used as the forum for discussing financial reform? Global civil society and most developing countries are sure to question the legitimacy and accountability of the process if led by the G-8 or G-20.</i></li><li>• <i>Have we reached a Bretton Woods II moment already, where the fundamental objectives of IFIs are questioned along with their governance and processes?</i></li></ul>
10:30	<b>Coffee Break</b>
10:45	<b>Reform Agenda: the UN Expert Panel and FfD</b> Manuel (Butch) Montes and Amar Bhattacharya
11:20	<b>Discussion moderated by Roy Culpeper</b>
12:30	<b>Lunch</b>
14:00	<b>Action agenda</b> <ul style="list-style-type: none"><li>• <i>Summary of key points emerging from the workshop.</i></li><li>• <i>Specific issues that merit further attention/investigation</i></li><li>• <i>Opportunities for collaboration within the group (joint papers, opinion/think pieces, blog) – as related to known timelines (UN task-force, G8, G20, national level in G20 countries)</i></li><li>• <i>Participant suggestions for future project activities</i></li></ul>
15:00	<b>Closing Remarks</b>