The United Nations' Role in Global Economic Governance
A Research and Policy Brief for the Use of the NGO Committee on Financing for Development

Hamrawit Abebe, Ryan Dugan, Michael McShane, Julie Mellin, Tara Patel, and Linda Patentas

Graduate Program in International Affairs, Milano School of International Affairs, Management, and Urban Policy, The New School

May 2, 2012

TABLE OF CONTENTS

I. Introduction

In an increasingly interconnected, globalized world, the world economy's power paradigms are actively changing. The global financial crisis affected almost every country on earth, from the developing world to the United States and Europe—bringing to mind the question of how the global economic architecture of the past (traditionally dominated by rich, Western countries) is being reshaped. The question of how the UN, the Bretton Woods Institutions, and other transnational and intergovernmental economic groups can strengthen global economic governance has, and continues to be, asked.

Clearly, there is a need for considerable improvement in the coordination of global economic policy, integration and development of suitable political institutions and policies, and the building fair, participatory, and sustainable societies. How might the United Nations, civil society, and government begin to make inclusivity and universality an essential baseline for decision-making? Ideally, all UN member states would be invited to meaningfully participate in the design and implementation of GEG principles. In addition, these principles would revolve around people-centered action in service of the common good.

It is necessary to view this changing architecture in a holistic way—in other words, economic governance, development, and international affairs in general must be evaluated together and acted upon multilaterally if effective reforms are to be made. After the downturn of the global financial and economic crisis, governments and civil society saw the need for substantial improvement in the coordination of global economic policy, creating unprecedented global responses to restore financial stability. Attempts at global financial coordination and reform, heretofore undertaken by groups like the Groups of 8 and 20, the International Monetary Fund, and the UN, have been criticized in recent years for being ineffective, inequitable, and inefficient. The IMF's lack of a representative constituency system, the lack of coordination between global trade and financial governance, and lack of intergovernmental coordination are all chief complaints of would-be reformers—among many others.[1]

A range of proposals for reform have been suggested by the UN General Assembly's Group of Experts, World Bank Group, Group of 77, G20, International Trade Unions Confederation, the Vatican, and numerous others. Generally, the goals of these multilateral banks, civil society organizations, donors, and nations are to promote inclusiveness, innovation, efficiency, effectiveness, and accountability. The general consensus is that they must represent the economic realities of today's global economy, recognize the role and responsibility of growing stakeholders from the developing world, and correspondingly allow them a larger voice for representation. These proposals include: reforming ECOSOC; creating a new UN-based economic governance body; strengthening the Financing for Development follow-up process; creating a transnational, normative framework for governance; and many more.

[1] See Woods and Lombardi (2005) and Herman (2008 and 2011) for more information.

These plans will be summarized and evaluated in the scope of this paper, both as pre-2009 proposals (as marked by the Conference on the World Financial and Economic Crisis and Its Impact on Development on June 26, 2009), and as newer, more innovative post-2009 proposals. In addition to basic developments in scope and efficiency, the proposals will be analyzed in the context of the UN Committee on Financing for Development's potential role, both now and in the future.

II. Proposals for Reform – Pre-2009

a. ECOSOC Reform

A founding UN charter body established in 1946, the Economic and Social Council (ECOSOC) is where the world's economic, social, and environmental challenges are addressed. Many have argued that, with the global financial and economic crisis bringing the issue of GEG to the international agenda, ECOSOC is the only fair and legitimate body fit to address these issues. In their 2005 World Summit Outcome, member states of the United Nations reaffirmed that the UN should play a fundamental role in coordinating and implementing effective development goals.[2]

Many developing nations argue that the lack of transparency and accountability (and moreover, the undemocratic and hegemonic practices) of international financial institutions warrants ECOSOC reform. However, developed nations have repeatedly expressed that the body is too large, uncoordinated, and ineffective. But as the South Centre, an intergovernmental group of developing countries concerned with GEG reform points out:

"As organizational agendas and structures are ultimately shaped by the power relations of the players that make up the organization, such reforms (ECOSOC) will also have to address and effect changes in the decision-making structures of the UN that currently give developed countries a much greater decision-making voice as compared to developing countries."[3]

It would be impossible to make the UN more effective without reform—which, theoretically, should be just what developed countries want. Civil society groups also strongly advocate for ECOSOC reform. The Institute for Global Policy (an organization dedicated to the promotion of human security and democracy)[4] has recommended the establishment of a Global Leader's Forum within ECOSOC, designed to fairly represent nations on the basis of equitable geographic representation.

The Institute says the Global Leader's Forum (L27) would:

1) *"Provide leadership and guidance to the international community on development and global public goods issues;*

---

2 "2005 World Summit Outcome," United Nations, http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N05/487/60/PDF/N0548760.pdf?OpenElement.

3 "Meeting the Challenges of UN reforms: A South Perspective," South Centre (August 2006), http://www.southcentre.org/ARCHIVES/index.php?option=com_content&task=view&id=323&Itemid=67.

4 "About Us," Institute for Global Policy, http://www.wfm-igp.org/site/about.

2) *Develop a long-term strategic policy framework to secure consistency in the policy goals of the major international organizations; and*
3) *Promote consensus-building among governments and integrated solutions for global economic, social and environmental issues."* [5]

b. *Strengthening the Financing for Development Follow-up Process*

Despite the lack of true commitment (as might be shown through efforts for concrete change), many parties have expressed the importance of fulfilling financing for development commitments as outlined in the Monterrey Consensus.

Speaking on behalf of the European Union, Senator Roberto Antonione has reiterated the dedication of the EU to the commitments it made in the Monterrey Consensus:

"The EU values this High Level Dialogue as an important occasion to reconfirm our full commitment to the Monterrey Consensus and to review the progress to this date in its implementation. In this respect we believe that the participation of the main stakeholders, such as the Bretton Woods Institutions, the WTO, the private sector and civil society remains critical to ensure coherence in the action of the international community in achieving the Millennium Development Goals. Joint efforts are very much needed to this end: the EU remains firmly committed to the achievement of these Goals. In this regard, I have the honour to recall that the European Union undertook major commitments at the Barcelona Council on 14 March 2002 as its contribution to the Financing for Development process."[6]

Unfortunately, as many developing nations feared, the follow-up process to assess the implementation of these commitments was weak. The spirit that existed in Monterrey was all but fading. In 2008, UN Secretary General Ban Ki-moon recognized this and attempted to reinvigorate efforts:

"The global financial and economic crisis, which originated in developed countries, has become a development emergency of global reach, putting at risk the very survival of poor people. The world is entering a period of markedly slower economic growth which will have a strong negative impact on developing countries, which are affected by a collapse in world trade, a sharp reversal in private capital inflows, falling commodity prices and a slowdown in remittance flows to poorer countries, as well as the loss of income and employment due to the contraction of global economic activity. As if this were not enough, there is a risk that existing commitments of official development assistance (ODA) may not materialize, or that aid levels may even be scaled down owing to concomitant fiscal pressures on industrialized countries. As a result, developing countries will have fewer resources to undertake critical investments in, inter alia, infrastructure, human development and social safety nets, and building trade and productive capacities. More immediately, Governments will also have less space in which to undertake critical investments in, inter alia, infrastructure, human development and social safety nets, and building trade and productive capacities. More immediately, Governments will also have less space in which to undertake fiscal expansionary measures to counter the

[5] "Strengthening the Relationship between ECOSOC and the Bretton Woods Institutions for a Coherent and Effective Financial and Economic Architecture," The Institute for Global Policy (February 2009), http://www.wfm-igp.org/site/files/IGP_OptionsforECOSOCandBWIRelationship_13Feb09.pdf, p. 6.

[6] "EU Presidency Statement – Follow-up to the International Conference on FfD (Monterrey 2002): The EU Barcelona Commitments," European Union, 30 October 2003, http://www.europa-eu-un.org/articles/en/article_2986_en.htm.

economic downturn."[7]

Combining proposals from the Secretary General, various civil society groups, and the Rio Group (a transnational organization of Latin American and Caribbean states), the following recommendation for follow-up was laid out in the same report:

"It can be suggested that this mechanism have at its centre a representative, multi-stakeholder "Financing for Development Committee", subsidiary either to the Economic and Social Council or to the General Assembly. In order to keep it as dynamic as possible, the Committee's composition could be relatively small; one possibility would be to have 18 members drawn from United Nations delegations, 6 representatives from the World Bank Executive Board and 6 from the IMF Executive Board, one each from the World Trade Organization and UNCTAD, one from other relevant United Nations agencies, including the regional commissions, one from other intergovernmental organizations, and one each from the civil society and business sector communities. This would give the committee a total of 36 members.

"…In order to keep the selection of participants as simple as possible, it would be further suggested that the 18 representatives from United Nations delegations — equal to one third of the number of members of the Economic and Social Council — be drawn from the Council's membership in an automatic way, according to a formula whereby each Member State elected to the Council would be asked to serve in the Financing for Development Committee for one year , during the second year of its three-year Council term. This would also ensure transparent and democratic rotation in the representation, without the need for any separate election process. In a similar vein, the six representatives of the World Bank and IMF Executive Boards could assume the function under a rotating arrangement to be agreed by them. It should be remembered, of course, that both Bank and Fund Executive Directors normally represent constituencies, rather than individual countries, and that appropriate ways and means would have to be found to take this into account in any selection or rotation formulas."[8]

Ideally, the proposed committee would allow effectiveness and inclusion (as set out in the Doha Declaration) to color all further evaluations of, and changes to, financing for development. It would include, as noted above, members of international financial institutions, developing countries, and more traditionally powerful Western, rich countries. It would "replace both the spring high-level meetings of the Economic and Social Council with the international financial and trade institutions and the biennial high-level dialogues of the General Assembly."[9]

c. Creating a New UN-based Economic Governance Body

With large support from civil society, the upgrade of ECOSOC to a full economic governance body (coined the *Global Economic Council*) has been on the table for over two decades. A response to the belief that there is no alternative to a G7 or G8 model, the Global Economic Council would fairly and adequately represent nations and regions in council. Unlike ECOSOC, the council aims to be small enough to reach consensus and become an effective body able to fulfill and be held

---

[7] "Follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development," United Nations, 25 August 2009, http://www.un.org/ga/search/view_doc.asp?symbol=A/64/322&Lang=E.

[8] Ibid.

[9] "Coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development," United Nations, 20 April 2009, http://www.un.org/ga/search/view_doc.asp?symbol=E/2009/48&Lang=E.

accountable to agreements. One strong proposal by CIDSE (an international alliance of Catholic development agencies working together for global justice) reads:

"The Annual high-level meetings of ECOSOC with the Bretton Woods Institutions and the WTO should then become the major forum for ensuring the consistency and coherence of the monetary, financial and trading systems in support of development. Coordination and coherence on global governance issues will be further enhanced by the establishment of substantive engagement with the other specialized agencies in the context of the Annual high-level meetings : UNCTAD, ILO, UNDP, UNIFEM and through multi-stakeholder processes involving civil society and the business sector.

"Over the medium-term, the proposal to establish a permanent global Economic and Social Security Council within the structure of the UN should be vigorously pursued. This would involve changing the Charter, but this should be entirely feasible. One possible scenario that has been suggested is that the Council could have a limited number of seats – e.g. 25 – in a well balanced rotation system, whereby no seat would be permanent or carry veto power. It would provide a long-term strategic policy framework to promote development, secure consistency in the policy goals of the major international organizations, and promote consensus building among governments on possible solutions to issues of global economic and social governance."[10]

However, it is important to note that discussion on creating a new GEG body has gained more momentum and coverage since the 2008 financial market failures. In fact, UN General Assembly President Miguel D'Escoto Brockmann created a commission to:

"…*review the workings of the global financial system, including major bodies such as the World Bank and the IMF, and to suggest steps to be taken by Member States to secure a more sustainable and just global economic order"*[11]

Chaired by Joseph Stiglitz, the commission has made recommendations to the UN General Assembly for reforming the international monetary and financial system and will be further discussed in a later section of this paper.

III. Proposals for Reform – Post-2009

a. The World Financial and Economic Crisis and its Impact on Development

With the aim of identifying emergency and long-term responses to mitigate the impacts of the global economic crisis (especially on vulnerable populations), the *United Nations Conference on the World Financial and Economic Crisis and its Impact on Development* gathered world leaders in June 2009.[12] At the

---

[10] UN (CIDSE), "A political agenda for the Reform of Global Governance." http://www.un.org/esa/ffd/civilsociety/2003hearings/1003-IFG-on-govern.pdf.

[11] Jim Kelly, "UN Commission Proposes Global Economic Council to Create and Govern a "More Sustainable and Just Global Economic Order," Global Governance Watch, 13 April 2009, http://www.globalgovernancewatch.org/spotlight_on_sovereignty/un-commission-proposes-global-economic-council-to-create-and-govern-a-more-sustainable-and-just-global-economic-order-2.

[12] "United Nations Conference on the World Financial Crisis and Its Impact on Development: Official Documents," United Nations, 24-26 June 2009, http://www.un.org/ga/econcrisissummit/docs.shtml.

conference, countries proposed several courses of actions in order to better respond to the damages caused by the financial market failures. [13]

In its final report, the General Assembly states its desire for a more involved and reformed ECOSOC:

(a) *"To consider the promotion and enhancement of a coordinated response of the United Nations development system and specialized agencies in the follow-up to and implementation of this outcome document, in order to advance consistency and coherence in support of consensus building around policies related to the world financial and economic crisis and its impact on development;*

(b) *To make recommendations to the General Assembly, in accordance with the Doha Declaration of 2 December 2008, for a strengthened and more effective and inclusive intergovernmental process to carry out the financing for development follow-up;*

(c) *Examine the strengthening of institutional arrangements to promote international cooperation in tax matters, including the United Nations Committee of Experts on International Cooperation in Tax Matters;*

(d) *Review the implementation of the agreements between the United Nations and the Bretton Woods institutions in collaboration with these institutions, focusing in particular on enhancing collaboration and cooperation between the United Nations and the Bretton Woods institutions, as well as on the opportunities for contributing to advancing their respective mandates; and*

(e) *Consider and make recommendations to the General Assembly regarding the possible establishment of an ad hoc panel of experts on the world economic and financial crisis and its impact on development."*[14]

Post-2009, several proposals have gained more momentum and support. They come from renowned economist Joseph Stiglitz, Ambassador Galvez from Chile, and others, and will be covered in the sections below.

b. The Group of 77: North vs. South Reemerges in the Aftermath of the Global Financial Crisis

The exclusivity of the G20 and marginalization of the UN system, emerging shifts in the global balance of power, and growing frustrations with the status quo all drive the current debates surrounding GEG. While there is continued support amongst countries from the Global South for modest reform proposals, these proposals remain hotly contested between countries from the North and those from the South. Proposals are being continuously introduced by developing States and disenfranchised regional groupings that challenge the traditionally Northern-dominated global financial architecture.

The following sections will summarize current positions, recent proposals and efforts advocated by the following actors: the Group of 77 (G77); Global Governance Group (3G); and Brazil, Russia, India, China, and South Africa. Prominently featured are: 1) the informal negotiations to establish the Ad Hoc Panel of Experts; 2) the G77's Statement at the April 2012 "Informal Consultations on the High Level Thematic Debate of the UN General Assembly on the State of the World

---

[13] "Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development," United Nations, 13 July 2009, http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/63/303&Lang=E.

[14] Ibid.

Economy;" 3) Draft Resolution A/66 introduced by Ambassador Galvez of Chile; 4) the Delhi Declaration; and 5) China's 26 September 2011Statement at the General Debate of the 66th Session of the UN General Assembly.

i. Group of 77 and Draft Resolution A/66/L.38

On April 12, 2012 the Group of 77 and China (G77) delivered a strongly-worded statement at the Informal Consultations.[15]

The statement, delivered by Minister Abderrahman Hamidaoui of Algeria, epitomizes the current deadlock between the North and South in terms of GEG. The G77 voiced five contentious points questioning the purpose and relevance of the High Level Thematic Debate, while referencing previous G77 statements and declarations containing key positions, proposals and recommendations related to the global financial crisis and economic governance.

The international community's inability to reach compromises on the issues highlighted above is often attributed to a lack of political will to create the momentum required. The divide is growing between States seeking a strengthened UN system (one that would be revitalized with both new and improved forums and mechanisms) and States unwilling to accept the UN as the appropriate space for GEG issues.

Barry Herman, former Senior Advisor in the Financing for Development Office in the UN's Department of Economic and Social Affairs, says that "intergovernmental discussion of global governance ebbs and flow."[16] In an effort to shift the tides and spark constructive political discussions, Ambassador Eduardo Galvez of Chile drafted a resolution (Draft Resolution A/66/L.38), "The United Nations in Global Governance,"[17] last month at the UN General Assembly.

Ambassador Galvez describes his resolution as procedural and not substantive but hopes it can lead to a political process of gathering consensus among States. Much like his colleagues in the G77, Galvez is interested in improving inclusiveness, effectiveness and efficiency in the GEG process, stressing that the UN offers the most important approach to multilateralism.[18]

According to Ambassador Galvez, Draft Resolution A/66/L.38 is a political reaction to the G20, a simple initiative attempting to break out of the current malaise inflicting GEG debate. He believes the resolution can create an inclusive political space, where political momentum necessary for GEG reform can start to gain traction. To further galvanize such a momentum, in the resolution's final paragraph, various non-State actors, including civil society, are invited to make contributions to the process.

ii. Rio+20 Zero Draft Outcome

---

15 "Statement on Behalf of the Group of 77 and China," G77, 12 April 2012, http://g77.org/statement/getstatement.php?id=120412b.

16 Barry Herman, "A Pragmatic Ideal for GEG Reform."

17 "Strengthening of the United Nations System: Central Role of the United Nations System in Global Governance," United Nations, 2 March 2012, http://www.un.org/ga/search/view_doc.asp?symbol=A/66/L.38&Lang=E.

18 Personal Interview with Ambassador Galvez.

The United Nations "Earth Summit" in Rio twenty years ago inspired a global movement to address systemic social, economic and environmental issues. A significant outcome of the 1992 Summit was Agenda 21, a "blueprint to rethink economic growth, advance social equity and ensure environmental protection."[19] Agenda 21 provided a foundation for civil society organizations such as the ITUC to advocate for stronger representation for the underserved and promote greater equity. Twenty years later, there will be a follow-up conference held in June 2012.

Recent debates at the UN, pitting the North against the South, are dealing with "The Future We Want," the zero draft outcome document for the upcoming UN Conference on Sustainable Development, or Rio+20. As the Third World Network reports, GEG is featured prominently in the G77's negotiating framework:

"We are convinced that sustained and widespread prosperity will require major reforms in GEG, including the reform of the global financial system and architecture, along with the renewed commitment to sustainable development to balance material wealth improvements with the protection of natural resources and ecosystems and to ensure equity and justice." [20]

The G77 is using the zero draft negotiations as an opportunity to relate social development issues with the current global financial architecture and its negative impact on development:

"[There is an] urgent need to address the lack of proper regulation and monitoring of the financial sector, the overall lack of transparency and financial integrity, excessive risk taking, overleveraging and unsustainable patterns of consumption and production in developed countries. These economic repercussions have also aggravated poverty, social exclusion, increased unequal distribution of income and wealth, and undermined efforts to implement sustainable development. In this regard we call for deepening the reform of the global financial system and architecture in order to give more voice to developing countries. Recognizing the vital role played by the major United Nations Conferences and Summits in the economic social and related fields in shaping a broad development vision, we also reaffirm the need to continue working towards a new international economic order based on the principles of equity, sovereign equality, interdependence, common interest, cooperation and solidarity among all States." [21]

Countries from the North are attempting to limit the scope of the discussions at Rio+20, including issues related to GEG, referring to G77 proposals as "off topic."[22] (Rio+20 will also be discussed in a later section specific to the International Trade Unions Confederation.)

iii. Ad Hoc Panel of Experts

In late 2011, the differences within the corridors of the UN revolved around the creation of an Ad Hoc Panel of Experts, a follow-up mechanism proposed in the Outcome Document of the 2009

[19] "About the Rio+20 Conference," United Nations Conference on Sustainable Development, http://www.uncsd2012.org/rio20/about.html.

[20] "North-south divide over Rio+20 document," *Third World Network,* 3 April 2012, http://www.twnside.org.sg/title2/sdc2012/sdc2012.120402.htm.

[21] Ibid.

[22] Ibid.

"UN Conference on the World Financial and Economic Crisis and Its Impact on Development"[23] and in ECOSOC resolution 2011/39.[24]

The EU and U.S. oppose such a panel with the EU "concerned with the proliferation of UN processes and the need to rationalize UN work."[25]

The G77 disagrees, arguing for both the establishment of the Ad Hoc Panel of Experts and a Follow-up Conference to the 2009 "UN Conference on the World Financial and Economic Crisis and Its Impact on Development:"

"There is a need for activities to follow up to the UN Conference on the Financial and Economic Crisis. The Member States of the United Nations should continue to discuss the global economic crisis and its impact on development and developing countries, and to also consider proposals to address related problems and issues. The past two years' experience has shown the importance and usefulness of an open, transparent and inclusive multilateral forum for this dialogue and for discussing proposals for addressing the crisis, in line with the mandate provided by the decisions of the Conference and the relevant General Assembly resolution. It is the conviction of the G77 and China that the Working Group on the Financial and Economic Crisis should continue its work and that the Ad Hoc Panel of Experts on the follow-up of the financial and economic crisis be established as soon as possible."[26]

iv. UN Role in GEG

In the September 2011 Ministerial Declaration,[27] the G77 reiterated its longstanding support of the UN and its desire to see that forum and its various bodies, i.e., ECOSOC, strengthened in terms of GEG:

"The Ministers stated that the United Nations is the only global body with universal membership and unquestioned legitimacy and is therefore well positioned to address GEG with the objective of reaching sustainable and socially balanced economic development. The role of the UN in GEG should thus be strengthened. For the United Nations to fulfill its role in GEG, the political will of all Member States to commit to the UN processes, to multilateralism and its underlying values is critical. Member States must commit to working in solidarity on coordinated and comprehensive global responses to GEG issues and to undertaking actions aimed at strengthening the role of the UN Development System in responding to global crises and their impact on development. For this the UN must also be equipped with the necessary resources and capabilities to effectively and quickly address global challenges.

---

[23] "Resolution 63/303: Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development," United Nations, 13 July 2009, http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/63/303&Lang=E.

[24] "Resolution 2011/39: Follow-up to the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development: consideration of the possible establishment of an ad hoc panel of experts," United Nations, http://www.un.org/en/ecosoc/docs/2011/res percent202011.39.pdf.

[25] Bhumika Muchhala, "Informal negotiations on a United Nations *ad hoc* Panel of Experts reveal deep North and South divide, with a final decision by the General Assembly postponed until end 2011," *Third World Network,* 30 September 2011, http://www.twnside.org.sg/title2/finance/2011/finance110907.htm.

[26] "Statement on Behalf of the G77 and China," G77, 11 March 2011, http://www.g77.org/statement/getstatement.php?id=110311b.

[27] "Ministerial Declaration," G77, 23 September 2011, http://g77.org/doc/Declaration2011.htm.

"The Ministers stated that there was a need for a more coherent, and effective response of the UN on issues related to GEG. In that regard, an appropriate follow-up mechanism should be established within the UN to bridge the gap between policy making and implementation of commitments in that area.

"The Ministers took note with appreciation of the report A/65/866 on the review of the implementation of General Assembly resolution 61/16 on the strengthening of the Economic and Social Council and encouraged all Members States, the ECOSOC, the regional commissions and other entities of the United Nations system to consider the recommendations contained in this report."[28]

v. Bretton Woods Institutions

In a March 2011 statement[29] at the Special High Level Meeting of ECOSOC with the BWIs, the WTO and UNCTAD, the G77 stressed the importance of reforming the governance structures and objectives of the BWIs, while also improving coordination with the UN:

"The Group of 77 and China supports a comprehensive reform of the international financial architecture, including enhancement in the voting powers of developing countries, in a time bound manner. The reform efforts should also address the objectives for which the IMF was created: one, to ensure financial stability, and two, to ensure access to (short-term) financing for those countries which actually need it. The G77 and China will continue to press for such a fundamental reform of the international financial system, and its governance architecture, in all relevant fora.

"The G77 and China calls for an expeditious completion, as soon as possible, of a much more ambitious reform process of the World Bank's governance structure and of an accelerated road map for further reforms on voice, participation and enhanced voting power of developing countries based on an approach that truly reflects its development mandate and with the involvement of all shareholders in an equitable, transparent, consultative and inclusive process.

"The G77 and China deems important to strengthen the concepts of ownership and policy space. In that respect, it must be borne in mind that client countries are the owners of their development policies and that selectivity in World Bank's strategy and actions must be guided, first and foremost by developing countries' priorities and preferences.

"Achieving more sustainable and balanced global growth will also require close coordination of macroeconomic policy decisions with other areas of global governance, including those related to the multilateral trading system; aid architecture; poverty eradication and sustainable development, including climate change. A strengthened United Nations framework for enhancing coordination and complementarity should be at the centre of efforts to bridge this gap, building consensus on efficient and effective solutions for global economic, social and environmental issues."[30]

vi. Analysis

The biggest obstacle to consensus among the G77 and the countries from the "North," i.e., the U.S. and the States comprising the European Union, is diverging perceptions; and despite the realities on the ground, where people are undoubtedly suffering, i.e., impoverished citizens of developing countries, those perceptions are overwhelmingly formed by the power dynamics - not human suffering - which underlie the rhetoric, decisions and policies put forth by States.

---

[28] Ibid.

[29] "Statement on Behalf of the G77 and China," G77, 11 March 2011. http://www.g77.org/statement/getstatement.php?id=110311b.

[30] Ibid.

The G77 perceives an immediate need for reform to the global financial architecture, especially in the wake of a global financial crisis emanating from and persisting in the North, and promotes the UN as the most appropriate forum to debate GEG issues.

As historical and present-day decision-takers, maintaining political and economic hegemony in the international system, the dominant States have been able to thwart modest attempts to even the global playing field by countries from the South. Reform at the IMF and World Bank and efforts to strengthen the UN, endowing it with more global economic legitimacy and muscle, serves the interests of the larger international community. Such reforms may diminish the dominant positions of the countries from the North in the international system, and thus they work to maintain the status quo.

In simple terms, the G77 is fighting an uphill battle and has been for a long time. Efforts like those of Ambassador Galvez are noble but severely handicapped. His recent draft resolution is, unfortunately, not novel but instead a second attempt in less than two years to bring countries together to determine what the role of the UN should be in GEG.

Ambassador Galvez's first resolution, tabled in December 2010, gathered more signatories than his second and at a much more globally dire time. His initial lack of success does not portend well for his latest resolution.

The U.S. and EU are refusing to discuss GEG at the Rio+20 Summit and argue against creating an Ad Hoc Panel of Experts or a Follow-up Conference on the World Financial and Economic Crisis and Its Impact on Development. Despite the lingering effects of the crisis in the U.S. and the debt woes engulfing Europe, the North negotiates in international fora as if the global financial crisis were a slight bump in the road that occurred in the distant past. While diplomats like Ambassador Galvez speak to human development based on ideals such as happiness, the U.S. points to small increases in GDP, rising commodity prices and decreasing poverty levels (based on metrics that hardly paint an accurate picture of the human plight plaguing the world) as signs that the world is now heading in the right direction.

However, as Ambassador Galvez optimistically contends, if you intend to effect change in this world, it is better to try something than to do nothing. In fact, he did manage to secure support for his resolution from Mexico, Brazil and Germany – three G20 member States, including arguably the most economically powerful country in Europe.

c. Global Governance Group (3G)

i. Background: G20 and the Global Financial Crisis

The Group of Twenty (G20) refers to itself as "the premier forum for international cooperation on the most important aspects of the international economic and financial agenda."[31] In 2008 and 2009, when the global financial crisis was spiraling out of control and threatening worldwide economic and financial catastrophe, the G20 acted quickly and in a coordinated fashion "to

[31] "What is the G20?" G20, http://www.g20.org/en/g20/what-is-the-g-20.

undertake large fiscal expenditure packages, to introduce significant regulatory reforms, and to provide increased assistance to developing countries."[32]

At the time, the Stiglitz Commission commended the G20's initiatives as important but stressed that "the global nature of the crisis means that it cannot be resolved by a small group of advanced industrialized countries and instead must be addressed in a more inclusive framework."[33]

In the aftermath of the crisis, concerns about the lack of inclusiveness in G20 decision-making and the club's self-appointment as the de facto forum for GEG began to surface as non-G20 member States clamored for better representation for the remaining G172. In an April 2010 OpEd[34] in The Straits Times, Jonas Gahr Store, the Norwegian Foreign Minister, remarked:

"Now that the worst of the crisis has begun to fade, the G20 should address the question of its own legitimacy and evolve to better reflect the interests of the nations its actions affect. To be sure, the G20 is more representative than the G7 and G8 - but it is sorely lacking in legitimacy. It is not an elected body; it is a self-appointed group, established without the consent of other nations. A number of countries that have been central to international cooperation in the past - including Norway and the Nordic countries - are excluded from direct membership. Low-income countries and the continent of Africa are almost entirely without representation."[35]

ii. "Focused Reaction to the G20"

Out of these concerns and as a "focused reaction to the G20,"[36] the Global Governance Group (3G), now known just as the 3G, was formed under the auspices of Singapore Foreign Minister George Yeo "in the hope of developing a constructive dialogue on coordination and cooperation between G20 and non-G20 members."[37]

Since 2009, the 3G has been complementary of the G20, noting the "swift, decisive actions that it brought about helped to avert a global economic depression"[38] but critical as well:

"The actions and decisions of the G20 have implications beyond its membership. Many Member States have felt some impact from such decisions. Unlike the UN, where we all have a voice, the G20 process is closed.

"We firmly believe that the G20 process should enhance and not undermine the UN. All countries, big and small, will be affected by how the G20 deals with the issues it takes under its charge. Given the complexities and interdependencies of the global economy, it is important for the G20 to be consultative, inclusive and transparent in its deliberations for its outcome to be effectively implemented on a global scale."[39]

---

32 "Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System," United Nations, 21 September 2009, http://www.un.org/ga/econcrisissummit/docs/FinalReport_CoE.pdf, p. 15.

33 Ibid.

34 Store, J.G. "Time for G20 to Address it Legitimacy," *Norwegian Ministry of Affairs*, 6 April 2010, http://www.regjeringen.no/en/dep/ud/Whats-new/Speeches-and-articles/speeches_foreign/2010/g_20_cooperation.html?id=600820.

35 Ibid.

36 Personal Interview with Ambassador Galvez.

37 "Statement on Behalf of the Global Governance Group: Strengthening the Role of the UN in GEG," United Nations, 2 June 2010, http://www.un.org/esa/ffd/events/2010GAWGFC/7/Stmt_Singapore.pdf.

38 "Strengthening the Framework for G20 Engagement of Non-members," United Nations, 11 March 2010, http://www.un.org/ga/search/view_doc.asp?symbol=A/64/706&Lang=E.

39Ibid, "Statement on Behalf of the Global Governance Group: Strengthening the Role of the UN in GEG."

iii. Reform Proposals

The 3G has advocated modest proposals to "strengthen the framework of engagement between the G20 and non-G20 members," most notably non-G20 member participation based on variable geometry:

"There should be sufficient flexibility in the G20 process to provide for the participation of non- G20 members in discussions on specialized issues. It could take on a "variable geometry" configuration to allow non- G20 States to participate in Ministerial gatherings and other working groups involving senior officials/experts on issues of specific concern to them. Variable geometry has been practised in many multilateral settings and the 3G subscribes to it in its approach."[40]

The 3G has also called on the G20 to: 1) engage with "the UN and its Member States through predictable and regular channels, including consultations with the wider membership before G20 Summits"[41]; 2) formalize the participation of the UN Secretary-General and the UN Sherpa at G20 Summits and preparatory meetings; and 3) regularize the participation of regional organizations at G20 Summits and its associated processes.[42]

During last year's Thematic Debate on "The United Nations in Global Governance," the 3G expressed its desire for global economic reforms, promoting the UN system as the most appropriate forum for such action:

"Our existing system needs reform. The 2008 global crisis exposed the need for reform of global economic and financial mechanisms, including the Bretton Woods Institutions. Without reform, we will lack effective means of tackling future crises.

"National governments need to work in tandem with international organisations (IOs) and bodies such as the UN, WTO, IMF, World Bank and ILO to devise global policies and implement the necessary structural reforms to sustain global growth, while taking into account national development priorities.

"New complementarities must be forged. Complex problems require coordinated multi-party solutions. Informal and formal bodies should determine their respective roles and core competencies and find appropriate ways to cooperate. Given its legitimacy, the UN system remains central to the GEG structure for achieving sustainable, equitable and inclusive growth. Informal groupings like the G20 can and must develop complementary ways to work with the UN system.

"In the medium and long-term, nothing less than a concerted effort by all stakeholders in global governance will suffice to improve and strengthen existing mechanisms. We need to focus on building trust through open and inclusive practices as well as clear channels of communication. In this regard, the UN with its universal membership is uniquely placed to play a pivotal role in coordinating efforts to tackle evolving global economic challenges and in showing leadership to find pathways for building new complementarities both within the UN system as well as with new actors.

---

[40] Ibid, "Strengthening the Framework for G20 Engagement."
[41] Ibid.
[42] Ibid.

The UN system should better engage and explore synergies with other players in the GEG arena, such as the emerging economies and groupings like the G20. We should identify the comparative advantages of the UN system, and steps to utilise and strengthen such advantages."[43]

iv. Analysis

The G20 boasts of representing two-thirds of the world's population[44]; but as Pradumna Rana, former Senior Director at the Asian Development Bank's Office of Regional Economic Integration, asks, who is going to represent the other 2.6 billion people in the world?[45]

While some question its motives[46], the 3G envisages itself as a potential bridge between a marginalized UN—which is ultimately where those other 2.6 billion people are currently represented – and the G20. This vision is not entirely far-fetched. Since its inception, the 3G has managed to muster small inroads with the G20 that may be cause for global optimism.

For example, in a report published last November, "Governance for Growth: Building Consensus for the Future,"[47] David Cameron, Prime Minister of the United Kingdom, addresses global concerns about the legitimacy of the G20 and its relationship with the UN. Citing the need for the G20 to improve its engagement with the UN, the UK Prime Minister posits the G20 should:

"*Endorse the 3G Group's proposal to regularise the practice of briefings and consultations with the UN membership; ensure that each G20 Presidency appoints a senior official within the Troika to oversee this engagement and maintain continuity; and coordinate with the UN to make use of existing processes for feeding in and highlighting issues, such as through the UN General Assembly's practice of holding informal thematic debates, to allow matters of mutual UN and G20 interest to be debated by the UN membership.*"[48]

These may be modest concessions by the G20, but it signals forward progress and a productive line of communication between the 3G and the G20. In the spirit of Ambassador Galvez, it is better to try something than to do nothing. At the very least, the 3G is beginning to create political momentum which may produce greater change in the future.

Due to the opposition from the "North," strengthening the UN, reforming its bodies and making it the premier forum for GEG will continue to be a daunting task for non-G20 member States; however, the 3G may have discovered the next best thing – constructively engaging the G20 and perhaps laying the groundwork for moving it closer to the UN system.

d. BRICS

---

43 "Statement on Behalf of the Global Governance Group: GEG – From Rapid Response to Medium and Long-term Planning," United Nations, 28 June 2011, http://www.un.org/esa/ffd/economicgovernance/28June2011/Stmt_3G_GEG.pdf.
44 Ibid, "What is the G20?"
45 Pradumna Rana, "Seoul G20 Summit: Will it Adopt Singapore's 3G Ideas?" *DR-NTU*, 29 October 2010, http://dr.ntu.edu.sg/bitstream/handle/10220/6629/RSIS1372010.pdf?sequence=1.
46 Personal Interview with Jo Marie Griesgraber.
47 David Cameron, "Governance for Growth: Building Consensus for the Future," *Number 10* November 2011, http://www.number10.gov.uk/wp-content/uploads/2011/11/Governance-for-growth.pdf.
48 Ibid, p. 13.

The BRICS, an informal bloc of States with emerging economies (representing 28 percent of the global economy[49] and 43 percent of the world's population[50]), recently held the Fourth BRICS Summit in New Delhi, India. The five BRICS countries – Brazil, Russia, India, China and South Africa – are all members of the G20.

Over the years, the BRICS have brought together various ministries at the highest levels to discuss pressing global issues. In the early stages of the global economic crisis, BRICS Economic and Foreign Ministers convened for the first time in November 2008 in Brazil, and the States have met "regularly on the sidelines of G20 meetings and IMF/WB annual meetings."[51]

i. Global Influence

In addition to its strategic position for shaping global economic governance within the G20, the BRICS countries' geopolitical influence has increased on a broader scale in recent years. As the United States and Europe struggle to rebound from economic recessions, significant developments mark BRICS' rise in influence.

For instance, Brazil, despite stiff resistance from some G20 members, successfully advocated for the approval of its transfer pricing model in the UN transfer pricing manual. India, increasingly frustrated by tax evasion and illicit flows, implored the G20 to improve automatic exchange of information on a global scale; and in December 2011, the Multilateral Convention on Mutual Administrative Assistance in Tax Matters was amended, extending an invitation to all countries "to secure the benefits of the new cooperative tax environment, including a multilateral approach for the exchange of information."[52]

Finally, while internationally criticized for their positions, Russia and China have blocked Western attempts to condemn Syria for its excessive use of force against its own people in the UN Security Council.

ii. Fourth BRICS Summit

On March 29, 2012, the BRICS held their Fourth Summit[53] to address a multitude of global issues, culminating with a joint document – the Delhi Declaration – that "[put] forth common position of BRICS countries on various economic and political issues of global and regional importance."[54] The following section highlights the global economic aspects of the Delhi Declaration, notably reform suggestions for the BWIs and a proposal for a new Development Bank.

---

[49] "BRICS Summit of Emerging Nations to Explore Bank Plan," *BBC News*, 29 March 2012, http://www.bbc.co.uk/news/world-asia-17545347.
[50] "Fourth BRICS Summit – Delhi Declaration," *India Ministry of External Affairs*, 29 March 2012, http://mea.gov.in/mystart.php?id=190019162.
[51] Ibid.
[52] Abebe et al. "The United Nations' Role in International Tax Policy," Paper prepared by GPIA Practicum group for use of the NGO Committee on FfD, 7 March 2012.
[53] "Welcome to BRICS," BRICS India, http://www.bricsindia.in/index.html.
[54] Ibid.

iii. Delhi Declaration

Touting "universally recognized norms of international law and multilateral decision making" as the foundations essential to forging global cooperation between developing and developed countries, the BRICS not only voice their concern over the "current global economic situation" but also directly attribute their angst to the problems emanating from countries in the North:

"While the BRICS recovered relatively quickly from the global crisis, growth prospects worldwide have again got dampened by market instability especially in the euro zone. The build-up of sovereign debt and concerns over medium to long-term fiscal adjustment in advanced countries are creating an uncertain environment for global growth. Further, excessive liquidity from the aggressive policy actions taken by central banks to stabilize their domestic economies have been spilling over into emerging market economies, fostering excessive volatility in capital flows and commodity prices."[55]

More details of the demands Delhi Declaration signatories made for IMF and World Bank reform will be discussed in those respective sections, later in this paper.

Perhaps the most salient element of the Delhi Declaration appears in Paragraph Thirteen, as the BRICS announce they will examine the "feasibility and viability" of establishing a Development Bank:

"We have considered the possibility of setting up a new Development Bank for mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development."[56]

Additionally, references are made to increasing financial regulatory oversight and reform, effecting comprehensive UN reform, i.e., the Security Council, and enhancing regulation of the derivatives market for commodities.[57]

iv. The BRICS: New Key Players in GEG?

The assertiveness of the BRICS and their willingness to challenge the North, (i.e., the United States and European Union) indicates that the balance of power in international politics may be shifting. As mentioned previously, recent negotiations over the Ad Hoc Panel of Experts and the Rio+20 agenda demonstrate Northern resistance to systemic changes in the international financial architecture.

Despite this resistance, the potential for real change in current Western norms and structures is ever-present, as the BRICS continue to grow economically—increasing their political influence on the world stage. In fact, the transition from the G7 to the G20 already indicates the West has started to come to terms with the emergence of non-traditional world leaders.

However, in power politics, the question of interests remains paramount. As evidenced in the Delhi Declaration, Brazil and India are pushing for more than economic reforms in the UN system. Both

[55] Ibid, "Fourth BRICS Summit."
[56] Ibid.
[57] Ibid.

countries want to become permanent members of the Security Council and insist on UNSC reform concurrently with other reforms to the UN system and to international financial institutions.

Considering that Brazil and India are two of the most economically powerful and influential members of the G77, how might their Security Council aspirations affect debates surrounding global economic reforms? Do their positions create more or less leverage for those who advocate strengthening the UN's role in GEG?

For the least developed countries (LDCs), i.e., the majority of G77 members, the rhetoric and positions of the BRICS are often encouraging and very much aligned with their interests; however, the true motives of the emerging powers are sometimes difficult to discern. Examples of such ambiguity lie in the conflicting language in the Delhi Declaration, as well as China's inconsistent positions regarding GEG.

In the Delhi Declaration, the BRICS promulgate two seemingly contradictory ideals. The G20 is explicitly referred to as the "premier forum for international economic cooperation," where it should "facilitate enhanced macroeconomic policy coordination, to enable global economic recovery and secure financial stability, including through an improved international monetary and financial architecture." [58]

However, in the very next paragraph, the BRICS declare:

"We recognize the importance of the global financial architecture in maintaining the stability and integrity of the global monetary and financial system. We therefore call for a more representative international financial architecture, with an increase in the voice and representation of developing countries and the establishment and improvement of a just international monetary system that can serve the interests of all countries and support the development of emerging and developing economies."[59]

How can a group support a "more representative international financial architecture…that can serve the interests of all countries," while declaring the G20—a forum where the "voice and representation of developing countries" is predominantly excluded—as the "premier forum for international economic cooperation?"

This glaring inconsistency also revealed itself last year as China's Foreign Minister declared at the General Debate of the 66th Session of the UN General Assembly:

"China supports the transition of the G20 from a short-term crisis response mechanism to a long-term mechanism of economic governance. The G20 should play a bigger role in GEG and in promoting the full recovery and growth of the world economy."[60]

In contrast, three months earlier, China submitted its position on GEG at the request of the UN Secretary-General:

---

[58] Ibid.

[59] Ibid.

[60] "Work Together to Meet Challenges and Pursue Common Development," United Nations, 26 September 2011, http://gadebate.un.org/sites/default/files/gastatements/66/CN_en.pdf.

"The new system of GEG must reflect changes in the world economy, and incorporate the following three principal features. First, it must be representative. It must ensure the wide participation of all members and, as a matter of priority, it must boost the representation and the voice of developing countries, thus enabling them to play a greater role in GEG. Second, it must be equitable. All countries should participate on an equal footing both in setting the agenda and in policymaking, to ensure a balanced reflection of the views and concerns of all parties. Third, it must be effective. The system should be results-oriented, focused on tangible outcomes and geared towards problem-solving and it should eschew empty rhetoric."[61]

Are the BRICS truly interested in a more inclusive, representative GEG system? If so, they must support reforms which make the G20 less exclusive.

Regardless of how the BRICS view the G20 and its role in GEG, their suggestions for reform at the IMF and World Bank are genuine. Just as the LDCs are marginalized in the decision-making at the BWIs, the BRICS too are afforded much less representation due to the governance structures of both institutions.

The BRICS proposal to create a new Development Bank demonstrates their frustration with the current rate of reforms taking place at the BWIS. Additionally, it serves as another example of how the balance of power is slowly shifting towards the South, as the BRICS increasingly challenge the global economic hegemony of the North.

e. The Stiglitz Commission: Strengthening GEG

The Commission of Experts on Reform of the International Financial and Monetary System, hereon referred to as the *Stiglitiz Commission*, convened under the leadership of Chairman Joseph Stiglitz in late November of 2008 to assist Member States of the General Assembly in combating issues pertaining to the world financial and economic crisis. The Commission's focus stems from the economic downturn and aims to offer clear, strategic proposals to combat the financial destruction of the world economy.[62]

In September of 2009, the Stiglitz Commission, consisting of 20 members from different countries, provided a detailed proposal documenting reform suggestions to the General Assembly.[63] One of the key aspects of this proposal is the creation of a new economic governance body within the United Nations. Past proposals in this area have ranged from the 1995 Commission on Global Governance's Economic Security Council to the proposal made by Chancellor Angela Merkel early in 2009 that a new "Global Economic Council" be formed within the United Nations. The UN Expert Commission proposed an International Panel of Experts as a measure that would be useful

---

61 "China's Position on the Issues of GEG and Development," United Nations, 5 June 2011, http://www.un.org/esa/ffd/economicgovernance/China_UNTranslation.pdf.

62 "Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System," United Nations, 21 September 2009, http://www.un.org/ga/econcrisissummit/docs/FinalReport_CoE.pdf.

63 Ibid.

in the short term, and the creation of a 'Global Economic Coordination Council' in the medium term.[64]

The Stiglitz Commission's recommendation of establishing a Global Economic Coordination Council to the President of the General Assembly aimed to:

"Promote developments, secure consistency and coherence in the policy goals of the major international organizations and support consensus building among governments on efficient and effective solutions for issues of GEG."[65]

In addition to the GECC, the Commission proposed the establishment of an "International Panel of Global Systemic Risks in the 21st Century" which would provide continuous evidenced-based research and advice to the United Nations and other multilateral bodies on a wide range of interconnected transnational threats.[66] This panel would be responsible for the following:

1. Helping policy makers and the private sector recognize threats at an early stage and prompting them to act in a preemptive manner;
2. Contributing to a constructive dialogue and offering a regular venue for exchange between policy makers, the academic world, and key international organizations; and should
3. Be comprised of well-respected academics from across the world, representing all continents, including representatives on international social movement.

The Commission presented proposals to the General Assembly in March of 2009, under the auspices of addressing the world financial and economic crisis and its impact on development. The proposals, summarized below, touched upon key issues pertaining to strengthening GEG:

General

1. International trade and financial systems need to be profoundly reformed to meet the needs and changed conditions of the 21st century;
2. It is gravely important to include the participation of the entire international community (not only the G7, G8, or G20, but representatives from across the world); and
3. Strenuous efforts must be made to achieve the Millennium Development Goals and protect the world against the threat of climate change.

Responding to the Global Financial Crisis

1. Developing countries should have expanded scope to implement policies and create institutions;
2. Advanced industrial countries should insure stimulus packages and recovery programs that do not distort the economic playing field;

64 Eva Hanfstaengl, "Strengthening GEG," 2011, http://www.socdevjustice.org/mediapool/96/965703/data/SDJ_on_Global_governance.pdf
65 Ibid.
66 Ibid, p. 145.

3. Greater transparency on the part of all parties in responding to the crisis is necessary; and
4. A balance must be restored between the role of the state and the role of the markets.

Immediate Measures

1. Developed countries should take strong, coordinated, and effective actions to stimulate their economies;
2. Developing countries need additional funding;
3. Additional development funds should be mobilized by the creation of a new credit facility;
4. Developing countries need more policy space; and
5. Improved coordination of global economic policies is necessary.[67]

i. Analysis

The proposals set forth by the Stiglitz Commission are far-reaching and include many broad, long-term goals aiming to restore stability within the global economy. However, it is up to the global community to adopt its suggestions. Although no policy changes have been directly linked to the Stiglitz report in recent years, the imperative to include developing countries and economies in transition in GEG remains. Though the G20 has made efforts to include developing nations (particularly in the 2009 G20 Summit in Pittsburgh, shift from the G8 to G20), financial reforms still need to be implemented to effectively regulate global financial control.[68] In a joint statement following the Summit, G20 leaders pledged to set up a framework that would allow them to keep tabs on each other's economic policies and prevent a future financial crisis. G20 leaders agreed to enhance the voting powers of emerging economies on the boards of key global financial institutions including the IMF and the World Bank.[69] Indian Prime Minister Manmohan Singh told the Summit, "We must take steps to counter these developments and restore the momentum of growth in the developing world."[70] Requiring transparency from leading, industrial nations would prevent developing countries from being excluded from the economic playing field.[71]

The most recent proposal, establishing the International Panel on Global System Risks, reemphasizes the importance of inclusiveness: bringing together leading policy makers, academics,

---

[67] "Recommendations by the Commission of Experts of the President of the General Assembly on reforms of the international monetary and financial system," United Nations, 19 March 2009, http://www.un.org/ga/president/63/letters/recommendationExperts200309.pdf.
[68] Bob Davis, "Stiglitz to G20: Not So Bad," *Wall Street Journal*, 23 September 2009, http://blogs.wsj.com/g20/2009/09/23/stiglitz-to- G20-not-so-bad/.
[69] "World Leaders Commit the Future G20, financial reforms," *Monsters and Critics*, 26 September 2009, http://news.monstersandcritics.com/usa/news/article_1503336.php/World-leaders-commit-to-future-G20-financial-reforms.
[70] Ibid.
[71] "Recommendations by the Commission of Experts of the President of the General Assembly on reforms of the international monetary and financial system," United Nations, 19 March 2009, http://www.un.org/ga/president/63/letters/recommendationExperts200309.pdf.

governments, and international organizations. The inclusion of representatives from each part of the world is an effective approach to strengthening inclusiveness, and also echoes the mission of the NGO Committee on Financing for Development. The United Nations, in fact, currently has a body (the Committee for Development Policy [CDP]) that could be potentially upgraded into the proposed committee. The CDP is a subsidiary body of ECOSOC, providing inputs and advice to the Council on emerging development issues. The committee is responsible for reviewing the status of LDCs and monitoring their progress once they surpass the category. The upgrade of the CPD into the International Panel on Global System Risks would allow for the issues it wishes to address to be voiced and carried out (particularly under guidance from the UN).

f. Council of Economic Advisers

Although the Council of Economic Advisers' (hereon referred to as "the Council") mandate is domestic, its work is crucial to ameliorating the global impact of the financial and economic crisis on development. Given the United States' influential role in international trade and finance, the impact of the Council's recommendations can be far-reaching, rippling through both the domestic and global economy. The Council, an agency within the Executive Office of the President, offers the President advice on economic policy. The Council's recommendations stem from economic research and analysis of empirical evidence.[72]

The Council was established by Congress through the Employment Act of 1946, which gave them the authorization to:

1) Assist and advise the President in the preparation of the Economic Report;
2) Gather authoritative information concerning economic developments and economic trends, both current and prospective;
3) Appraise the various programs and activities of the Federal Government in the light of the economic policy;
4) Develop and recommend to the President national economic policies to foster and promote free competitive enterprise to maintain employment, production, and purchasing power; and to
5) Make and furnish such studies and recommendations with respect to matters of Federal and international economic policy and legislation as the President may request. [73]

The Council is required to write and submit an annual Economic Report to the President, which serves as a vital tool for presenting the Administration's domestic and international economic policies and providing an overview of the nation's economic progress.[74]

Chapter 4 of the 2009 Economic Report focuses on opening international trade and investment policies.

---

[72]"Council of Economic Advisors: About CEA," The White House, http://www.whitehouse.gov/administration/eop/cea/about.
[73] Ibid.
[74] Ibid.

"*An open economy is characterized by receptiveness to foreign ideas, technology, products, services, and investment. The United States has one of the most open economies in the world, ranking very high in common measures of openness to trade and investment.*" [75]

The Council emphasizes the importance of opening markets, lessening strict regulations on trade, and ultimately, creating inclusive global networks among its foreign counterparts.

"Free trade contributes to economic prosperity in many ways. One of the greatest benefits of trade is that international differences in prices allow countries to utilize their comparative advantage, because trade gives a country access to goods and services at relatively low prices, while simultaneously allowing domestic producers to find profitable export markets in which to sell goods that can be produced at lower prices at home than abroad. Trade allows a nation to achieve higher overall consumption of goods and services than would be possible if no trade occurred." [76]

The report also addresses the United States' position on financing for development through trade, emphasizing attempt to improve the lives of disadvantaged populations and increase economic stability in the developing world. [77] The Council cites the United States administration's international development efforts as a means of enhancing global governance internationally.

"The United States offers developing countries, particularly the least developed, preferential access to the U.S. market through several preferential trade programs. The United States also has health and education initiatives such as the President's Emergency Plan for AIDS Relief (PEPFAR)." [78]

The deep recession that began at the end of 2007 and lasted until the middle of 2009 has not fully abated and is continually addressed by the Council. The Council's 2011 economic report highlighted, once again, the importance of bringing stability to the world economy. It addressed the most current obstacles facing not only the United States' economy, but the global economy as well. Again, the Council's report provided empirical data to the U.S. administration in favor of international trade, encouraging U.S. exports by enforcing existing trade agreements, and emphasizing the importance of the U.S. evolving its trade partnerships with emerging economies.[79]

"Emerging-market economies made substantial contributions to world growth, demonstrating their increasing importance to the world and U.S. economies."[80]

---

[75]"The Benefits of Open Trade and Investment Policies," in the "Economic Report of the President," *GPO*, http://www.gpo.gov:80/fdsys/pkg/ERP-2009/pdf/ERP-2009-chapter4.pdf, p. 127.
[76] Ibid, pp. 130-131.
[77] Ibid.
[78] Ibid.
[79] Ibid.
[80] Ibid.

The economic report highlights the essential need for inclusiveness, regardless of countries' current economic power, to help bring stability to the global economy.

"International policy coordination continued to play an important role: two leaders' summits of the Group of Twenty (G20) were held in 2010, and significant agreements were reached on important global challenges such as ensuring a strong, sustainable, and balanced global recovery and setting core elements of a new financial regulatory framework, including bank capital and liquidity standards."[81]

By improving and enhancing international financial regulation, the Council suggests that relationships between global partners can be strengthened, and stresses the importance of the G20 Summits for this purpose.

i. Analysis

The Council of Economic Advisors is influential in its efforts to provide economic advice and recommendations to its administration. The issues that are addressed are not solely pertinent to the American economy, but the importance of focusing on restructuring certain ailments of the global economic structure. The Council has addressed problems existing within the IMF and World Bank in its recent economic report, suggesting adjustment needs to be taken:

"G20 nations also followed through on their commitment to change the governance structure of the two major international financial institutions: the IMF and the World Bank. The governance structure of these two organizations was heavily weighted toward advanced countries, and each is now being changed to incorporate more leadership from major emerging- market countries, including changes to quota shares and board seats."[82]

Though the G20 may exclude the assistance of many developing nations, their stance towards reshaping financial institutions to incorporate developing nations is clearly emphasized in the Council's report. Much of their efforts in enhancing the world economy focus on liberalizing international trade by lessening restrictions. Perhaps the Council could focus its attention on financial architecture reform within the IMF and World Bank, particularly coming from an American view whose perspective is quite influential within the global sphere.

g. The International Trade Unions Confederation

The International Trade Unions Confederation (ITUC) is a comprehensive international trade union that "represents 175 million workers in 153 countries and territories, with 308 national affiliates."[83] The ITUC's primary mission is the "promotion and defense of workers' rights and interests, through international cooperation between trade unions, global campaigning and advocacy within the major

---

[81] Ibid.
[82] Ibid.
[83] "About Us," ITUC, http://www.ituc-csi.org/about-us.html.

global institutions."[84] Thus, the campaign for GEG is central to ITUC's mission—and the organization uses its international platform to advocate for greater GEG.

In addressing GEG, ITUC focuses on the core elements of social and economic development, specifically the blight of developing nations and their impoverished communities. To overcome (economic and social) injustice, the ITUC strongly advocates for the rights of the disenfranchised by supporting "intergovernmental cooperation to ensure that the social dimension of globalization…is right at the center of decision-making at the world's major global and regional institutions."[85] The ITUC is integral to the FfD process, as the group calls for increased accountability of high-level initiatives and pressures leadership like the G20 to follow through with its promises.

i. ITUC's Response to Global Initiatives and Leadership

1. RIO+20

The ITUC believes that Rio+20 is an opportunity for global leadership to create an effective action plan to promote sustainable development through global collaboration between countries.

"Rio+20 must acknowledge that, while necessary, a vision alone will not be enough and that activating creativity and commitments for the future is a way to address the impact of the crises on the people and the planet. ***We need action. We require the international community to deliver concrete measures,*** *which will put our societies on track to achieve social equity, decent work, environmental protection, development and prosperity, on track towards truly sustainable development."[86] [emphasis added]*

The United Nations Conference on Sustainable Development produced a Zero Draft for Rio+20, a framework for creating and implementing the goals and objectives of Rio+20. ITUC issued a responding statement, calling attention to the ineffectiveness of the Draft, which threatens to undermine the commitment to sustainable development. In their statement, ITUC encouraged Heads of State to be both passionate, yet realistic in their deliverables for Rio+20. Principles should be direct and transparent; countries should be determined and diligent in their action steps; evaluation should be concise; and, communication channels should be transparent and open. Particularly, the ITUC demands that strong commitments are made to Green Economy and Civil Society Principles. It should be noted, however, that the EU and US are not in support of GEG amendments to the Zero Draft Resolution, Rio+20.

2. London Summit

---

[84] Ibid.

[85] Ibid.

[86] "Workers and trade unions' consolidated contribution to the United Nations Conference on Sustainable Development: Rio+20," ITUC (November 2011), http://www.ituc-csi.org/IMG/pdf/rio_20_ituccontribution.pdf, p. 2.

The G20 met in London on April 2, 2009 to discuss potential institutional changes to GEG and relating policies. The London Summit was in response to the global financial crisis, with the purpose of providing both short and long-term solutions. Among pledges to regulate, repair and strengthen the financial system, promote global trade and investment, and build an inclusive, green market, the G20 also advocated for the creation of a separate economic governance body within the UN. As defined in the Declaration of the London Summit, "In addition to reforming our international financial institutions for the new challenges of globalization we agreed on the desirability of a new global consensus on the key values and principles that will promote sustainable economic activity."[87] The resulting Charter for Sustainable Economic Activity is a political, not legally binding, declaration that focuses on achieving GEG through greater collaboration among governments and explicit financial policies.[88]

The proposed Charter contains General and Specific Principles, which align with the broader goals of GEG and propose solutions for the global (i.e., Western) blunders that caused the financial crisis. The Principles below "point out that strong and sustainable growth and a fair global economic order rely on free competition to promote innovation and wealth, and on effective rules and instruments to avoid excesses and crises."[89]

- Sustainable and Balanced Growth
- Financial Markets to Support Employment and Growth
- Sound Macroeconomic Policy
- Productive Labor Markets, Decent Work and Social Protection
- Propriety, Integrity and Transparency
- Preservation of our Environment and Natural Resources
- Global Partnership for Balanced Economic Development
- Chapter on Implementation
- Chapter on Participation

The aforementioned Principles, agreed upon by the G20, represent both a reactive and preemptive approach to the world's financial crisis. On one hand, the Principles are designed to overcome economic distress and create a platform for sustainable growth practices, narrowing the gap between developed and developing countries. On the other hand, the Principles do not adequately address the needs of developing countries and are largely ineffective. According to a recent ITUC statement,

"[However], free trade, open investment regimes, fair and transparent competition and an effective protection of intellectual property greatly reflects the G8 and OECD agendas more than the interests of a broad community of

---

[87] Nestor Stancanelli, "The G20 and the Charter for Sustainable Economic Activity," http://www.cei.gov.ar/userfiles/parte03bENG_0.pdf, p. 1.
[88] Ibid, p. 2.
[89] Ibid. p. 3.

countries and regions representative of the world economy. It seems to ignore…the causes and structural problems that have given rise to the crisis."[90]

In lieu of this, ITUC proposed a five-point strategy to increase accountability and implementation of the Charter and its Principles, specifically calling for increased accountability and effectiveness in GEG policy.[91]

Exhibit 2: The Five-Point Strategy, London Declaration[92]

3. Analysis of Charter

The G20 should utilize the proposed five-point strategy and create a Charter to target systemic economic and social issues and increase opportunities for developing countries. ITUC strongly supports the Charter, as it will create a "new decision-making forum on economic and social policies at a global level…provide a synthesis of the guiding principles of these bodies...combine rules concerning market behavior with commentary elements"[93] and "begin the process of consultation that is required to…manage our increasingly interdependent world economy."[94]

[90] Ibid, p. 8.
[91] "Global Unions London Declaration," ITUC (April 2009), http://www.ituc-csi.org/IMG/pdf/No_16_-_G20_London_Declaration_FINAL.pdf, p. 2.
[92] Student-generated graphic.
[93] Ibid, "Global Unions London Declaration," p. 9.
[94] Ibid, p. 10.

Furthermore, ITUC calls for widespread inclusion of civil society, specifically trade unions, poorer countries and regional bodies in the GEG process. "Countries representing one third of the world's population are not represented at the table and have no means of influencing the G20's work."[95] Increasing representation for marginalized organizations (International Labor Organization), regional bodies (African Union, Association of Southeast Asian Nations, Organization of American States, to name a few) and countries will strengthen multilateral ties and make the GEG process more accountable.[96]

As examined throughout the paper, the thematic challenges to achieving comprehensive and successful GEG policies are reforming ECOSOC, strengthening the FfD follow-up process, and creating a 'new' UN-based economic governance body. The creation of the Charter for Sustainable Economic Activity satisfies both strengthening the FfD follow-up process, as well as establishing an economic governance body as an extension of the UN. As aforementioned, the Charter will bring both awareness and guided practice to the GEG process. For example, its specialized attention to the issue at hand will result in sustained, targeted advocacy that directly impact the GEG agenda.

An argument against creating the Charter, or any UN-based economic governance body for that matter, is the illegitimacy of the process. Similar to previously outlined arguments concerning the expansion of the G20, installing a larger economic governance council would create significant problems such as politicization, inefficiency, or misrepresentation. While these are all valid points of contention, they should not be the cause for immediate dismissal of the Charter proposal. If designed and implemented correctly, a UN body could be upgraded and maintain its core mission and competence.

4. UNCITRAL Case Study

The United Nations Commission on International Trade Law (UNCITRAL) is an example of a working group that was upgraded to a legal body within the UN. The body now focuses on "developing a framework to further the progressive harmonization and modernization of the law of international trade by preparing and promoting the use and adoption of legislative and non-legislative instruments in a number of key areas of commercial law."[97] Today, UNCITRAL serves as a model for upgraded bodies within the UN. The group remains depoliticized in nature, using various techniques to ensure its process remains inclusive and legitimate in practice. UNCITRAL is a strong example for the Charter for Economic Sustainable Activity for several reasons, as described by Jenny Clift, Senior Legal Office in the International Trade Law Division of UNCITRAL.[98]

---

95 Ibid, p. 9.
96 Ibid, p. 10.
97 "The UNCITRAL Guide: Basic Facts about the United Nations Commission on International Trade Law," United Nations (Vienna 2007), http://www.uncitral.org/pdf/english/texts/general/06-50941_Ebook.pdf, p. 1.
98 These personal views belong to Jenny Clift, not UNCITRAL officially.

Exhibit 3: UNCITRAL Model[99]

UNCITRAL CHARACTERISTICS	WHY IT WORKS
Little distinction between experts and other participants	Allows for varying degrees of agreement and knowledge level
Wide representation from different geographic areas and legal traditions	Creates inclusive and legitimate process; Diversity in background provides comprehensive results
Open communication and positive intention towards producing results	Intention is to even the playing field, spread information, and achieve a broad consensus
Legislative texts processed through working group/Commission structure	Allows for widely monitored implementation through technical assistance and cooperation activities
Issue discussion	Applies appropriate harmonization to project

The key point that should be digested from the UNCITRAL study is that it is not impossible for a newly upgraded UN body to maintain legitimacy, effectiveness and transparency in their efforts. Concern for the Charter for Economic Sustainable Activity is misplaced: the Charter will be a successful achievement and will help create a knowledge-based, streamlined approach to advancing GEG among global leaders. These arguments can also be used as a basis for the potential upgrade of the UN Tax Committee.

ii. How does this relate to GEG?

1. G20 Presidency in 2012

Despite ongoing efforts to reform and implement GEG policies, there has been little progress in overcoming the current economic crisis.

"The financial market irresponsibility and greed that were largely responsible for the recession have not been curbed; inequalities are still rising to the benefit of the 1 percent and even more of the 0.1 percent at the top, while sovereign debt crises put ever greater strain on the Euro, creating a context in which unemployment is quasi-certain to rise

[99] Student-generated graphic.

further. The emerging economies in the G20 are being affected too, and face particular social tensions in finding jobs for millions of young people seeking work."[100]

Global economic stagnation threatens to undermine the efforts of the international community in overcoming economic and social injustice. To bolster advocacy efforts and ensure that the campaign for GEG remains active in the coming years, ITUC has drafted a statement of priorities for the Mexico Presidency of the G20. The statement focuses on job creation, restoring the financial regulation agenda, securing a Social Protection Floor (SPF), creating green jobs and improving governance.

"In 2012, Mexico must be the locus of a reassertion of the relevance of the G20 to fighting recession, with decisions to enhance economic cooperation and boost employment, increase financial regulation and implement a financial transactions tax, attain a social protection floor and support development, address climate change and promote sustainable growth, and achieve more democratic and equitable global governance."[101]

A critical element of the Statement for the Mexican Presidency is the suggestion to improve the legitimacy and relevance of the G20. ITUC asserts that the G20 should "upgrade the level of social dialogue and consultation at national and international levels so as to ensure effective implementation of policy commitments."[102] Though the G20 was instrumental in mitigating the repercussions of the financial crisis, the group needs to evolve into a model that supports international cooperation.

"The G20 needs to make the transition from a crisis management committee to the forum that drives a framework for cooperation that is sustainable, flexible and allows countries to benefit from an interdependent world economy. Unless this happens, the lessons from the global financial crisis of 2008 will be lost."[103]

Moreover, reforming the level of representation within the G20 is highly prioritized within the GEG agenda. "There is a clear trade off between G20 efficiency and G20 legitimacy. However, making the G20 more representative and legitimate could also render it more rather than less effective."[104] Conversely, there are arguments that 'more bodies around the table' would illegitimatize G20 delegation.

---

[100] "Trade Union Priorities for the Mexico Presidency of the G20 in 2012," ITUC, http://www.ituc-csi.org/IMG/pdf/g20-mexico-priorities_2012.pdf, p. 1.
[101] Ibid.
[102] Ibid, p. 6.
[103] Paola Subacchi and Paul Jenkins, "Preventing Crises and Promoting Economic Growth: A Framework for International Policy Cooperation," *Chatham House and CIGI Report* (April 2011), http://www.chathamhouse.org/sites/default/files/public/Research/International percent20Economics/r0411_ipc.pdf, p. 39.
[104] Paola Subacchi and Stephen Pickford, "Legitimacy vs. Effectiveness for the G20: A Dynamic Approach to GEG," *Chatham House* (October 2011), http://www.chathamhouse.org/sites/default/files/1011bp_subacchi_pickford.pdf, p. 3.

"In the short term, allowing more countries around the table could hamper the G20's effectiveness as a key multilateral economic forum. It also carries the risk of driving the debate into a dead-end as there is no straight- forward solution to the legitimacy issue. Many countries feel they have a strong claim to join the G20 as full members, but acquiescing to their demands could result in a more unwieldy body."[105]

h. The Holy See's Proposal

"Towards Reforming the International Financial and Monetary Systems in the Context of a Global Public Authority"

i. Pontifical Council for Justice and Peace

As an immensely influential, non-territorial, religious entity with an estimated 1.2 billion[106] followers (20 percent of the world's population) around the globe, the Holy See (the Catholic Church) has a tremendous impact on its constituents. As part of the Church's service to its international following, Pope Paul VI called for the creation of a pontifical commission dedicated to the needs of developing countries in 1967.[107] Originally established "to stimulate the Catholic Community to foster progress in needy regions and social justice on the international scene,"[108] the Pontifical Commission for Justice and Peace was eventually granted permanent status and renamed the Pontifical Council for Justice and Peace (hereon referred to as The Council).

In its efforts to uphold its mandate, The Council is called upon:

"To engage in action-oriented studies based on both the papal and episcopal social teaching of the Church" and "[to concern itself] with all that touches upon social justice, the world of work, international life, development in general and social development in particular...[to promote] ethical reflection on the evolution of economic and financial systems and addresses problems related to the environment and the responsible use of the earth's resources." [109]

Additionally, The Council "considers the question of political systems and the role of Catholics in the political arena."[110]

ii. The Council's Report on the Global Economy

In October 2011, The Council offered an analysis on the global economy and concrete reforms to the international financial architecture.[111] The Council's report is a wide-ranging critique of strongly-

---

105 Ibid.

106"Pope Benedict XVI Receives 2012 Annuario Pontificio," *Vatican Radio,* 10 March 2012, http://www.news.va/en/news/pope-benedict-xvi-receives-2012-annuario-pontifici.

107"Populorum Progressio: Encyclical of Pope Paul VI on the Development of Peoples," *Vatican*, 26 March 1967, http://www.vatican.va/holy_father/paul_vi/encyclicals/documents/hf_p-vi_enc_26031967_populorum_en.html.

108 "Pontifical Council for Justice and Peace," *Vatican*, http://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_pro_20011004_en.html.

109 Ibid.

110 Ibid.

111 "Towards Reforming the International Financial and Monetary Systems in the Context of a Global Public Authority," Pontifical Council for Justice and Peace, *Zenit,* 24 October 2011, http://www.zenit.org/article-33718?l=english.

held and internationally-dominant economic and financial tenets promulgated by the world's most powerful economic actors in the West.

According to The Council, mismanagement of globalization, economic growth based on credit and speculative markets, "technocracy," and development rooted in "economic liberalism" and "utilitarian thinking" all contributed to the global financial crisis—further exacerbating the gross inequalities among and within States today.

As a panacea to the aforementioned causes of the financial crisis and the unjust state of the world, The Council advocates for a new foundation from which to build a global economy driven by people-centered ethics.

The Council implores:

"No one can in conscience accept the development of some countries to the detriment of others. If no solutions are found to the various forms of injustice, the negative effects that will follow on the social, political and economic level will be destined to create a climate of growing hostility and even violence, and ultimately undermine the very foundations of democratic institutions, even the ones considered most solid…. the world's peoples ought to adopt an ethic of solidarity as the animating core of their action. This implies abandoning all forms of petty selfishness and embracing the logic of the global common good which transcends merely contingent, particular interests."[112]

The Council's report proposes specific reforms and promotes ambitious ideas, while critiquing the global financial architecture as an ineffective and misguided system of structures that spawned the global financial crisis.

1) World Political Authority

Providing an historical foundation for its policy recommendations, The Council denotes Pope John XXIII's Encyclical Pacem in Terris of 1963 as Pope Benedict XVI's inspiration for the creation of a "world political authority." Pope John XXIII aspired for such an Authority, as he recognized a unifying world lacking the requisite global political organization required to match the "objective needs of the universal common good."

Attempting to envisage his predecessor's aspiration, Pope Benedict XVI's "supranational" Authority (hereon referred to as Global Authority) would: support the "sustainable development and social profess of all;" be "inspired by the values of charity and truth; have a "global reach that cannot be imposed for force, coercion or violence;" and should reflect the "needs of the world common good." In addition, the Global Authority would be made up of sincere, open dialogue involving all people and cultures (valuing "minority opinions rather than marginalizing them"); "allow each country to express and pursue its own particular good" while also being "above any partial vision or particular good, in view of achieving the common good;" and overall emphasize efficiency and inclusiveness.[113]

2) Subsidiarity

To explain how States and the proposed Global Authority would interact, The Council promotes the "principle of subsidiarity," which allows subordinate or local authorities to carry out functions

---

112 Ibid.
113 Ibid.

they perform effectively. The Global Authority would only offer guidance or assistance to regional and national institutions if those "actors are intrinsically deficient in capacity, or cannot manage by themselves to do what is required of them."[114]

The Council also advocates for the principle of subsidiarity as the regulatory framework for "relations between the State and communities, and between public and private institutions, not excluding the monetary and financial institutions."[115]

3) United Nations

Admitting the world is not ready for a Global Authority, The Council designates the United Nations as the most appropriate forum to transition to a Global Authority:

"It would seem logical for the reform process to proceed with the United Nations as its reference because of the worldwide scope of its responsibilities, its ability to bring together the nations of the world, and the diversity of its tasks and those of its specialized Agencies." [116]

Specific reforms facilitated by the UN system would strive towards:

1. *"Greater ability to adopt policies and choices that are binding*
2. *"[Paying special attention] to urgent policies, i.e., global social justice policies:*
    a. *Financial and monetary policies that will not damage the weakest countries*
    b. *Policies aimed at achieving free and stable markets and a fair distribution of world wealth*
3. *"[Achieving] governance structures which are functional and proportionate to the gradual development of a global political society*
4. *"[Maintain] functioning multilateralism, not only on a diplomatic level, but also and above all in relation to programs for sustainable development and peace."* [117]

4) Global Financial Architecture

In its analysis of the global financial architecture, The Council highlights two prominent themes which contribute to an ineffectual "system of governance": 1) "the gradual decline in the efficacy of the Bretton Woods institutions beginning in the early 1970's, [i.e., the inability of the International Monetary Fund to stabilize world finance]; and 2) [the lack of] a minimum, shared body of rules to manage the global financial market which has grown much more rapidly than the real economy."[118]

Taking its cue from the G20 (which The Council praises for being more representative than previous "clubs" defining and dictating global economic and financial policy to the rest of the world), The Council sees the need for "reform of the international monetary system" and calls "for a body that will carry out the functions of a kind of 'central world bank' that regulates the flow and system of monetary exchanges similar to the national central banks."[119]

---

[114] Ibid.
[115] Ibid.
[116] Ibid.
[117] Ibid.
[118] Ibid.
[119] Ibid.

The Council believes the aforementioned reforms, which would ideally pave the way for a Global Authority, should be implemented regionally by strengthening existing institutions.

However, in order to effect these changes:

"The primacy of the spiritual and of ethics needs to be restored and, with them, the primacy of politics – which is responsible for the common good – over the economy and finance."[120]

In support of this "ethical approach," The Council concludes with the following people-centered recommendations:

- *"Taxation measures on financial transactions through fair but modulated rates with charges proportionate to the complexity of the operations, especially those made on the "secondary" market. Such taxation would be very useful in promoting global development and sustainability according to the principles of social justice and solidarity. It could also contribute to the creation of a world reserve fund to support the economies of the countries hit by crisis as well as the recovery of their monetary and financial system;*

- *"Forms of recapitalization of banks with public funds making the support conditional on "virtuous" behaviours aimed at developing the "real economy";*

- *"[Clarifying] the definition of the domains of ordinary credit and of Investment Banking. This distinction would allow a more effective management of the "shadow markets" which have no controls and limits."* [121]

iii. Analysis

The people-centered ideas, concepts and beliefs motivating The Council's report are just, well-intentioned and rhetorically shared by States. However, its bold proposals (i.e., the Global Authority) are mostly unrealistic and nonstarters for governments, especially those with the most power and influence – the developed countries framing GEG and taking decisions for the rest of the world.

Global Public Authority

The Council understands "a long road still needs to be travelled before arriving at the creation of a public Authority with universal jurisdiction,"[122] but, at the same time, it advocates for forward-thinking and pro-active initiatives:

"We should not be afraid to propose new ideas, even if they might destabilize pre-existing balances of power that prevail over the weakest." [123]

However, an aversion to the Holy See's kind of bold ideas is evident in the rhetoric of even those who promote a more balanced approach to GEG, including an increased role for the United Nations.

[120] Ibid.
[121] Ibid.
[122] Ibid.
[123] Ibid.

In a speech given last year by the President of the UN General Assembly, a diplomat from the "North" lauded by developing countries for making global governance a key issue during his Presidency, Joseph Deiss offered these thoughts:

"Let me clarify that global governance is not the same thing as global government. We are not heading towards establishing a world government; global governance is a way of organizing decision-making in a Westphalian world of sovereign entities with their national parliaments."[124]

Unfortunately for the Holy See, Deiss' vision of global governance and recognition of a "Westphalian world of sovereign entities" does not reconcile with The Council's view of a changing world:

"Globalization, despite some of its negative aspects, is unifying peoples more and prompting them to move towards a new "rule of law" on the supranational level, supported by a more intense and fruitful collaboration…Time has come to conceive of institutions with universal competence, now that vital goods shared by the entire human family are at stake, goods which the individual States cannot promote and protect by themselves…So conditions exist for definitively going beyond a 'Westphalian' international order in which the States feel the need for cooperation but do not seize the opportunity to integrate their respective sovereignties for the common good of peoples." [125]

Subsidiarity

On a much smaller scale, there are some policy-specific commonalities between Statesmen and The Holy See. The Council strongly advocates for the principle of subsidiarity, and Deiss agrees:

"Global Governance should be based on the principle of subsidiarity. Problems that can be addressed at the local, national or regional level should be addressed at these levels. This is a rule that has been long applied in federalist states." [126]

Global Financial Architecture

Much like the Public Authority, The Council's proposal for a "central world bank" is unfeasible due to the realities of the international system. In addition to the virulent cries of sovereign infringement, States would most certainly point to the current failures of the Euro and the ineffectiveness of the IMF as reasons enough to dismiss the idea of a "central world bank."

However, as referenced in the Secretary General's report on GEG and Development, a global financial authority "to coordinate financial regulation, including oversight of certain global rules"[127] is a much more viable possibility for improving the global financial architecture than a "central world bank."

The Council rightly recognizes the dire need for global economic reforms to improve the inclusivity, effectiveness and efficiency of the global financial architecture. However, much to Pope Benedict XVI's chagrin, power politics currently trump just ideals as the status quo appears well-defended and developing countries remain marginalized on the international stage.

---

[124] Joseph Deiss, "Global Governance at the Beginning of the 21st Century: What is the Role of the United Nations?" *CEPAL Regional Seminar*, 8 August 2011, p. 3.
[125] Ibid, "Towards Reforming the International."
[126] Ibid, Deiss.
[127] "Report of the Secretary-General: GEG and Development," United Nations, 10 November 2011, http://www.un.org/ga/search/view_doc.asp?symbol=A/66/506&Lang=E.

i. International Monetary Fund Reforms

The International Monetary and Financial Committee's discussion at the 2012 ECOSOC Spring Dialogue focused on four major areas of work: financial support to member countries, key policy analysis and advice, technical assistance, and governance reform.[128] The IMF has reached a record-high commitment of about $260 billion concessional and non-concessional loans to 51 countries—and due to critical economic conditions, including the current crisis in Europe, the IMF has asked member countries to increase lending by an additional $500 billion.[129]

It was noted at a recent IMF sub-committee meeting, "the crisis response underscored the importance of international cooperation and effective multilateral institutions. With global mandates and memberships, the World Bank Group (WBG) and the IMF must play key roles in a modernized multilateralism."[130]

A new approach to financial sector surveillance will be discussed in addition to exercises on the impact of external shocks and commodity prices on low-income countries.[131] The IMF's spring meeting communiqué states, "Strengthening surveillance should bring together bilateral and multilateral perspectives…and enable better assessment of global and country level risks and spillovers to economic and financial stability, and engage more effectively with policymakers."[132] Reinforcing the long-term stability of the international monetary framework system through stronger surveillance and analysis is essential to IMF reforms (also emphasized by the BRICS in their Delhi Declaration), in addition to advances in coordination and effectiveness. The IMF has been supporting the Mutual Assessment Process to determine whether G20 members are "consistent with sustained and balanced growth for the global economy" in their efforts to reform policy analysis and advice,[133] and also provided technical assistance through eight Regional Technical Assistance centers in Africa, the Caribbean, Central America, the Middle East, and the Pacific in 2011.[134] A ninth technical center is expected for West African countries, which will complete "full coverage of sub-Saharan Africa."[135] There is an action plan to address gaps within the surveillance systems, particularly in four areas: analysis of cross-country spillovers, risk assessments, financial and external stability, and uneven traction with country authorities.[136]

---

[128] Jianhai Lin. "Speaking Notes for Presentation by Mr. Jianhai Lin, Secretary of the International Monetary and Financial Committee, March 12, 2012," 2012 ECOSOC Spring Dialogue with the BWIs, WTO, and UNCTAD,United Nations, New York, p. 1.
[129] Ibid, p. 3.
[130] "Development Committee Communiqué, Spring Meetings, April 25, 2010," *Development Committee Communiqué, Spring Meetings, April 25, 2010*, http://www.imf.org/external/np/cm/2010/042510.htm.
[131] Ibid, p. 6.
[132] Ibid, "Communiqué April 25, 2010."
[133] Ibid, p. 4.
[134] Ibid, Lin, p. 4.
[135] Ibid.
[136] Ibid, p. 7.

Governance Reform

Governance reform is an especially important aspect of the IMF's reform package, especially since development experts, multilateral organizations such as the United Nations, and international political organizations such as the BRICS have placed international pressure on internal institutional reform and greater control distribution. At a meeting of global governance leaders in March 2010, the secretary of the International Monetary and Financial Committee noted that "further progress has been made toward accepting the 2010 quota and governance reforms."[137] This package will build on 2008 reforms—taken together with these, the 2010 reform will result in a combined shift of 9 percent of quota shares to emerging market and developing countries.[138] It will also affect ad hoc quota increases for 54 member countries and a near tripling of basic votes for low income countries.[139] About 80 percent of this shift will derive from a reduction in the shares of advanced economies and some oil producers. Overall, 110 countries will gain or maintain quota share, of which 102 are emerging market and developing countries.[140] Additionally, two Executive Chairs will be removed from advance European economies in order to balance the addition of two news Chairs in emerging economies.[141] "We look forward to an agreement, by January 2013, on a simple and transparent quota formula that better reflects members' relative positions in the world economy," the IMFC said in a communiqué after a meeting in Washington in April 2010.[142]

The size of the quota depends on the economic weight the country holds; determines the amount a country must pay annually for IMF membership; and determines how many votes the country is allowed. It is calculated based on a mix of reserves, international trade volumes and national income.[143] Member's votes are comprised of basic votes plus one additional vote for each 100,000 Special Drawing Right (or SDR, the IMF's unit of account) of a quota.[144] The United States is the largest member of the IMF, with a current quota of SDR 42.1 billion (about $68 billion), and the smallest member is Tuvalu, with a current quota of SDR 1.8 million (about $2.9 million).[145] According to IMF guidelines, "any realignment is expected to result in increases in the quota shares of dynamic economies in line with their relative positions in the world economy, and hence likely in the share of emerging market and developing countries as a whole."[146]

---

137 Ibid.
138 "Reforming the IMF's Governance," IMF, http://www.imf.org/external/np/exr/govern/index.htm.
139 Ibid.
140 "IMF Survey: IMF Board Approves Far-Reaching Governance Reforms," IMF, http://www.imf.org/external/pubs/ft/survey/so/2010/NEW110510B.htm.
141 Ibid, p. 5.
142 Ibid, "Communiqué April 25, 2010."
143 Stephany Griffith-Jones, "DFID Report: Governance of the World Bank."
144 Ibid, "Factsheet."
145 Ibid.
146 "Communiqué of the Twenty-Fifth Meeting of the IMFC," IMF, http://www.imf.org/external/np/cm/2012/042112.htm.

In direct opposition to the IMF's claims of reform, the BRICS took direct issue with the IMF's claim of reform, pinpointing specific areas requiring reform in the Delhi Declaration last month:

"We are…concerned at the slow pace of quota and governance reforms in the IMF. We see an urgent need to implement, as agreed, the 2010 Governance and Quota Reform before the 2012 IMF/World Bank Annual Meeting, as well as the comprehensive review of the quota formula to better reflect economic weights and enhance the voice and representation of emerging market and developing countries by January 2013, followed by the completion of the next general quota review by January 2014. This dynamic process of reform is necessary to ensure the legitimacy and effectiveness of the Fund. We stress that the ongoing effort to increase the lending capacity of the IMF will only be successful if there is confidence that the entire membership of the institution is truly committed to implement the 2010 Reform faithfully…We reiterate our support for measures to protect the voice and representation of the IMF's poorest members.

"We call upon the IMF to make its surveillance framework more integrated and even-handed, noting that IMF proposals for a new integrated decision on surveillance would be considered before the IMF Spring Meeting." [147]

The IMF Constituency System

The institutional structure of the International Monetary Fund carries much weight to its outcomes that affect international financial flows and macroeconomic policy. The Executive Board of the IMF consists of 24 Executive Directors whose small composition is aimed at efficient decision-making. The IMF's five largest members appoint their own Director – the United States, Japan, Germany, France, and the UK- China, Saudi Arabia and Russia are in a constituency group of one, while the remaining 176 countries are left to construct their own groups and coordinate positions based on shared interests.[148] There are no set rules governing the constituencies, and their sizes can range from the Indian led 4-Country constituency to the 24-Country African group. The constituency system is apparently a flexible and adaptable form of collective representation, however it is true that overall voting power, distributions of power within each constituency, and the lack of accountability of Executive Directors consequently results in leaving weaker states left out of the analysis.[149] As Woods reported in 2005, the 24-Country African constituency total voting power of 1.42 percent was hardly able to carry any significant weight, while the United States' constituency total voting power dominated at 17.14 percent; the five appointed Executive Directors collectively held 39 percent of total voting power.[150] Furthermore, the varying structures of governance within the constituencies and the lack of accountability of the individual Executive Directors to its group member are also issues that need to be addressed when considering how "efficient" the constituency system actually is to proper representation within the IMF for governing global decision making.

Analysis & Recommendations

---

147 Fourth BRICS Summit – Delhi Declaration, *India Ministry of External Affairs* (March 29, 2012), http://www.mea.gov.in/mystart.php?id=190019162.
148 Ngaire Woods, "A Note on Decision-making Reform in the IMF, Global Economic Governance Program," Oxford, 2005, p. 5.
149 Woods, pp. 3 and 10.
150 Woods, pp. 9 and 13.

The expansion of the reforms decided on in November of 2008 was considered "the most important reform in the governance of the institution since its creation," by Dominique Strauss-Kahn, IMF Managing Director at the time.[151] While reforms agreed in the April 2008 reform package became effective a year ago with the acceptance of the 'Voice and Participation' amendment to the Articles of Agreement, acceptance of the 2010 quota and governance reforms are planned to be finalized at the 2012 Annual Meetings to be held in Tokyo this October. According to the secretary of the IMFC, the IMF "fully recognizes that further reform of governance is crucial to the legitimacy of the Fund." As of March 12, 2012, 89 members (having 53.14 percent of quotas) had consented to their proposed quota increases under the 14th General Review of Quotas, while members covering 70 percent of quota is needed for the reform to be accepted.[152] 66 members having 45.36 percent of the total voting power had accepted the proposed Board Reform Amendment.[153] With only seven months left on the proposed timeline, it is strongly recommended that the remaining nations accept the 2010 Governance and Quota Reforms in order to support the IMF's responsibility in maintaining macroeconomic stability and balance in global financial flows.

It is also recommended that the IMF continue to provide technical assistance and more funding to low income countries to allow for more substantial monitoring, evaluation, and productivity. It is essential that low resources countries understand consequences of IMF policy recommendation and program implementations to assure proper development, particularly in sub-Saharan Africa.

Furthermore, it is recommended that the double majority voting requirement be extended to all decisions made by the IMF. As per the IMF's current Articles of Agreement, double majority voting requirements are used only to amend articles or to expel or deny a member.[154] The application of this voting requirement to all decision-making (already used by the EU Council of Ministers and some divisions of the World Bank) would further enhance participation by allowing a wider range of countries to be included in the process. As Woods and Lombardi recommend, the voting requirement should consist of 85 percent of voting power *and* 60 percent majority of members to agree to decisions.[155] This would require informal constituencies such as the G7 (who collectively hold 45 percent of voting power) to obtain at least 60 percent of approval of all members as well. "This would immediately create an incentive for the powerful members of the Board to forge alliances with numerically-larger developing country constituencies."[156]

---

151 "Transcript: IMF Managing Director Dominique Strauss-Kahn and First Deputy Managing Director John Lipksy at the Conclusion of the G20 Finance Ministers and Central Bank Governor's Meeting in Gyeongju, Korea," IMF, October 2010, http://www.imf.org/external/np/tr/2010/tr102310.htm.
152 Sean Hagan, "Proposed Amendment on the Reform of the IMF Executive Board and Fourteenth General Review of Quotas—Status of Acceptances and Consents."
153 Ibid.
154 Ngaire Woods, "A Note on Decision-making Reform in the IMF, Global Economic Governance Program," Oxford, 2005, p. 15.
155 Ibid.
156 Ibid.

Also urged to reform by members of civil society, the New Rules for Global Finance Coalition suggests that the Board of Governors periodically evaluate the performance of the Executive Board, and that the Executive Board periodically evaluate the Managing Director, and also prepare self-evaluations.[157] This accountability is vital to a well-balanced system in order to effectively increase voice and participation within the governance structure of the IMF as a whole, in addition to the importance of accountability of the individual Executive Directors for the constituencies themselves. The strengthening of leadership responsibility is critically important to the IMFs reputation and legitimacy as a global governing body. The Managing Director process should also be transparent and merit-based.

j. World Bank Group Model

i. Internal Reform

The World Bank focuses on five central issues in its discussion of reform: increasing transparency and access to information; increasing voice and participation; promoting accountability and good governance; improving risk management; and reviewing internal governance. According to the World Bank, its Access to Information Policy, which took effect July 1, 2010, has allowed over 7,000 financial, business, health, economic, and human development statistics to be shared worldwide.[158]

The Bank's investment lending model is in the process of being reformed in order to better accommodate borrower's needs. This will highlight results and risks, while placing emphasis on higher risk investment through the provision of more attention to supervision.[159] Internal governance would reform overall effectiveness, with a focus on board effectiveness, oversight and strategy. Structural reform plans were proposed in a published report in April 2009.

Despite the Bank's above claims, the BRICS vehemently challenge the Bank's lack of action in implementing adequate reforms. In its Delhi Declaration, the BRICS states:

"We…call upon the World Bank to give greater priority to mobilising resources and meeting the needs of development finance while reducing lending costs and adopting innovative lending tools.

"We reiterate that the Heads of IMF and World Bank be selected through an open and merit-based process. Furthermore, the new World Bank leadership must commit to transform the Bank into a multilateral institution that truly reflects the vision of all its members, including the governance structure that reflects current economic and political reality. Moreover, the nature of the Bank must shift from an institution that essentially mediates North-South

157 "Report Makes Recommendations on IMF Accountability, IMF Listening - New Rules for Global Finance Coalition," *New Rules for Global Finance Coalition*, http://www.new-rules.org/news/press-releases/42-report-makes-recommendations-on-imf-accountability-imf-listening.
158 "About US: WB Site Tools," World Bank, http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:23067074~menuPK:8336891~pagePK:50004410~piPK:36602~theSitePK:29708,00.html.
159 Ibid.

cooperation to an institution that promotes equal partnership with all countries as a way to deal with development issues and to overcome an outdated donor- recipient dichotomy."[160]

ii. Global Economic Governance Reform

A special High-Level Meeting of ECOSOC with the Bretton Woods Institutions and World Trade Organization (the United Nations Conference on Trade and Development) in March 2012 encouraged direct, comprehensive discussion. This discourse centered on the achievement of the Millennium Development Goals and $200 billion dollar safety nets that have expanded the conditional cash transfer model over the last four years.[161] Emphasis was placed on food, prices, nutrition and the MDGs through the 2012 Global Monitoring report, which will summarize the impacts of each. Leveraging the private sector for advancing development was also brought up for future attention as an important engine for economic productivity.[162] It was emphasized that now is a critical time for a discussion of jobs, as there is a growing worldwide percentage of young people who are unemployed. Shareholders of the Bank also discussed the "Modernization Agenda," which plans to make the World Bank Group "more flexible, focused on clients, open, accountable, and always driven to attention with results."[163]

Enhancing voice and participation is a critical step towards improving input and cooperation. Voting power for developing and transition countries will increase to about 47.19 percent in International Bank for Reconstruction and Development, 39.48 percent in International Finance Corporation, and about 46 percent in International Development Association.[164] The IBRD increase in voting power of 3.13 percent will bring the developing and transition country voting power to an overall increase of 4.59 percent through 2008 and 2010 reforms.[165] The IFC is expected to increase in developing and transition country voting power from the current 33.4 percent to 39.48 percent, through an increase in basic votes (to 5.55 percent from the current 250 per shareholder) and a selective capital increase.[166] The third Sub-Saharan African Chair has also been added. As economist Jose Antonio Ocampo notes, this should enhance the democratic spaces for policy legislation, implementation, and support.[167]

---

160 Ibid.
161 Ibid.
162 Ibid.
163 Ibid, p. 4.
164 "New World, New World Bank Group," Development Committee - Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund On the Transfer of Real Resources to Developing Countries, World Bank.
165 Ibid, p. 6.
166 Ibid.
167 Jose Antonio Ocampo. "Rethinking Global Economic and Social Governance." *Journal of Globalization and Development 1.1* (2010), p. 14.

High and fluctuating oil and commodity prices, large and volatile capital flows, and on-going pressure from Europe create considerable difficulties in international global governance.[168] The World Bank's multilateral focus will consist of five priorities: targeting the poor and vulnerable, especially in Sub-Saharan Africa; creating opportunities for growth; promoting global collective action; strengthening governance; and preparing for crises.[169] "As part of the international community's collective effort, the WBG can play a key role in helping countries through a focus on job creation and private sector development, inclusive growth, the development of strong institutions, and the enhancement of security and justice in countries affected by fragility, conflict, organized crime and other forms of violence."[170]

iii. Leadership Reform

The World Bank is experiencing a unique change to its leadership, as the United States appointed Jim Yong Kim to take over from Robert Zoellick, the current president, in July. Dr. Kim was an especially attractive candidate because of his career-long practice on eradicating diseases, amongst other international development issues, in addition to managing a large institution as president of Dartmouth University.[171] Kim's expertise in health and education, the essentials of human capital, will be nurtured and driven to accelerate economic growth directly through increased labor productivity and indirectly by spurring technological change.[172] This creation of social cohesion, the accumulation of human capital and technological capacities are understood to be endogenous processes that lead to growth.[173] "The World Bank is a bank that's focused on economic development and poverty alleviation," Dr. Kim said. "I've spent my entire life working to invest in human beings and human communities to help them move down the path of economic development."[174]

While the Development Committee's Fall 2008 Communiqué states that the selection process would be "merit-based and transparent," development experts and many African leaders are calling for stronger reform.[175] The diverse expertise of two widely respected candidates, Ngozi Okonjo-Iweala, Nigerian finance minister, and Jose Antonio Ocampo, native of Colombia and former UN official,

---

168 "Development Committee Communiqué, Spring Meetings, April 25, 2010," IMF, http://www.imf.org/external/np/cm/2010/042510.htm.
169 Ibid, "New World, New World Bank Group."
170 "Development Committee Communiqué, Spring Meetings, April 16, 2011," IMF, http://www.imf.org/external/np/cm/2011/041611a.htm.
171 "Obama Candidate Sketches Vision for World Bank," *NY Times*, 9 April 2012, http://www.nytimes.com/2012/04/10/business/global/jim-young-kim-sketches-vision-for-world-bank.html.
172 Ibid, Lawson-Remer.
173 Ocampo , p. 14.
174 "Obama Candidate Sketches Vision for World Bank," *NY Times*, 9 April 2012, http://www.nytimes.com/2012/04/10/business/global/jim-young-kim-sketches-vision-for-world-bank.html.
175 "Development Committee Communiqué, Spring Meetings, April 25, 2010," IMF, http://www.imf.org/external/np/cm/2010/042510.htm.

furthered criticism to the gentleman's agreement that has allowed the United States to hold the presidency of the Bank as Europe holds the seat for the International Monetary Fund. As a physician and anthropologist, many criticisms suggested that Jim Yong Kim would be unfit to assume the technical challenges of a global financial institution such as the World Bank.

iv. Analysis and Recommendations

The World Bank Group has committed over $100 billion since the start of the crisis, and has initiated to "lay the foundations of recovery." [176] This is particularly important since developing countries are considerably vulnerable to macroeconomic external shocks, especially during a time of uneven recovery and slow job growth.[177] A serious challenge for the bank will be to "make the bank more inclusive and responsive to global realities – particularly given that the bulk of the world's poor now live in middle income countries, not poor ones,"[178] a matter already highlighted by China and India which have already transitioned from low to middle-income economies.

Assuring capital increases and enhancing capacity have been strong variables of the World Bank's reforms. Another recommendation could be to continue increasing membership shares of World Bank capital held by borrower countries, or have non-borrower countries sell some of their shares to at low costs.[179] Paid-in capital is a much smaller proportion than total capital.

Adding an additional chair to the sub-Saharan Executive board will be especially helpful in sharing extensive workloads. Of the 24 countries in the 24-Country African constituency, 21 are IDA eligible, meaning that they receive debt relief under HIPC initiatives.[180] This is a tremendous workload consisting of site visits, annual reviews, and preparation of Consultation reports. It is recommended that the World Bank further promote capacity building, funding, and technical assistance in the sub-Saharan region to support preparation, knowledge, and to strengthen further overall democratic processes. Former South African Executive Directors have noted that the comparatively tiny voting power has made it nearly impossible for African and other developing countries to add items on the agenda.[181] As with the IMF, links between the Executive Director and constituencies are weak. It is recommended that Executive Directors formally report to their respective groups, provide transparency, and are subject to formal evaluations.[182]

The basic vote has been held as a symbol of equality, however its strength has diminished as capital

---

176 Ibid, "New World, New World Bank Group."
177 Ocampo, p. 10.
178 "Obama Candidate Sketches Vision for World Bank." *New York Times*, 9 April 2012, http://www.nytimes.com/2012/04/10/business/global/jim-young-kim-sketches-vision-for-world-bank.html.
179 Stephany Griffith-Jones, "DFID Report: Governance of the World Bank."
180 Ngaire Woods, "A Note on Decision-making Reform in the IMF, Global Economic Governance Program," Oxford, 2005, p. 3.
181 Ibid, p. 1.
182 Ibid, p. 5.

increases upped shareholder's values in the Bank.[183] The doubling in increase from 2.8% to 5.5% is a strong move towards participation, and should, even slightly, enhance incentive for more powerful countries to consult with weaker states for more quality decision-making.[184]

One of the strongest recommendations for World Bank reform will be to apply the double voting requirement as a general feature to all decision-making. While the rise in basic votes and voting power for developing and transitions economies has been helpful in making the process more inclusive, these modest reforms are not enough to ensure voice. As recommended for the IMF, the World Bank should also require that decisions be accepted through at least 50 percent voting power and 50 percent membership approval. The World Bank uses this system in some decision-making, such as the Global Environment Facility, but it should amend its Articles to apply universally. The double majority voting requirement would essentially protect the interests of the major creditors who hold more shares, such as the United States and Europe, while simultaneously bolstering the voice and participation of the developing and emerging market economies to result in a more inclusive process.[185] As noted by the BRICS in their address to the World Bank and the IMF, emerging markets deserve a greater share of voice as their impressive economic performance merits. Furthermore, the double majority voting could apply to other criticisms faced by both institutions; if this system were applied to Presidential seat appointments this "shift to double majority voting would provide a strong signal of the readiness of the trans-Atlantic powers to recognize they can no longer manage the global economy alone."[186] More effective representation is fundamental to withhold the legitimacy and efficiency of both the Fund and the Bank in global economic governance.

183 Ibid.

184 Ibid.

185 Nancy Birdsall, "Double Majorities at the World Bank and the IMF - for Legitimacy and Effectiveness." *Center for Global Development*, 19 March 2009, p. 2.

186 Ibid, p. 3.

IV. Policy Recommendations

i. Specific Areas, Reforms and Proposals:

- The Stiglitz Commission should be reconvened and **produce a follow-up report** highlighting the measures taken, and what has or has not been accomplished, since the original report. In order for this to happen, NGOs and international organizations need to have an **effective outreach campaign** targeted **specially at leading members of the Commission** (even Joseph Stiglitz himself).The original Commission was an initiative of the President of the General Assembly. The reconvened Commission could be reconvened by a group of countries (G77?) or the Secretary-General or the next President of the General Assembly (who will be elected in September 2012.

- Beginning with the continued support of the creation of an **Ad Hoc Panel of Experts**, draw attention from key States to the original proposals outlined in the Stiglitz report.

- **Pursue intergovernmental follow-up mechanisms** to the global financial crisis introduced in the Outcome Document of the "UN Conference on the Financial and Economic Crisis and Its Impact on Development."

- **Support ECOSOC reform**. Former UN General Assembly President, Joseph Deiss from Switzerland, specifically called for "deeper reforms" in ECOSOC so as "to prevent marginalization by the G20."[187] According to Deiss, ECOSOC currently has too much on its plate and needs to "reset priorities and refocus [its] mandate."[188]

- Advocate persistently for a **Follow-up Conference on FfD** by 2014 as 2013 is already drawing close and the conference needs to be well prepared.

- As per the G77's recent statement at the High Level Thematic Debate on the world economy, advocate for a **Follow-up Conference to the 2009 "UN Conference on the World Financial and Economic Crisis and Its Impact on Development."**

- Support a new **BRICS Development Bank**.

- Embrace **Draft Resolution A/66/L.38, as adopted,** and its invitation to participate in the discussions concerning the "Strengthening of the UN System," organize advocacy efforts.

- Support the **3G's efforts to draw the G20 processes closer to the UN system**, i.e., in terms of communication, coordination and collaboration. Such efforts would include mission visits to the U.K. and other G20 countries to make sure the commitments made in the Cameron Report are being honored.

---

[187] Joseph Deiss, "Global Governance at the Beginning of the 21st Century: What is the Role of the United Nations?" *CEPAL Regional Seminar* (August 8, 2011), p. 8.
[188] Ibid.

- As an initial step, advocate for **"variable geometry"** within G20 deliberations which will "allow non-G20 States to participate in Ministerial gatherings and other working groups involving senior officials/experts on issues of specific concern to them"[189] in support of the ITUC and 3G proposals.

- Encourage the UN to consider establishing the **Charter for Sustainable Economic Activity** to maintain its core mission and competence in achieving global economic governance.

- **IMF** –

    - Encourage the IMF to **adopt double majority voting requirements** to all decisions made (for fairly distributed voice and participation).

    - Support ***timely implementation of*** **the 2010 governance and quota reforms** in order to help broaden the voices heard in shaping the IMF's responsibility in maintaining macroeconomic stability.

    - Support **increasing the number of Chairs on the Executive Board** of the IMF, particularly in Sub-Saharan Africa and other areas to be more representative.

    - Support the IMF's **continued provision of technical assistance and funding** to low income countries to allow for more substantial monitoring, evaluation, and productivity.

    - Encourage **self-evaluation of Executive Directors performance** and Managing Director, **assuring accountability**.

- **World Bank** –

    - Pressure the World Bank to **apply double majority voting requirements** to all decisions to achieve fairly distributed voice and participation.

    - Encourage further initiatives by perhaps adding more Alternative Directors or advisors to **aid Executive Directors in representing developing countries** and ease burden via capacity building and assistance on policy issues.

    - Pressure the World Bank to **increase share of capital held by borrower countries** (and thus their share of votes) OR allow/encourage non-borrower countries to transfer **a selection of their shares to borrower countries.**

ii. States and Groups to try to influence from New York:

[189] "Annex to the letter dated 11 March 2010 from the Permanent Representative of Singapore to the United Nations addressed to the Secretary-General: Strengthening the Framework for G20 Engagement of Non-Members," United Nations, March 11, 2010. http://www.un.org/ga/search/view_doc.asp?symbol=A/64/706&Lang=E.

- **United States** –The most powerful State in the world is **amenable to ECOSOC reform** and **maintains close ties and good relations with the 2012 G20 Chair**, Mexico, which should be targeted for advocacy as well.

- **Mexico** – As the **G20 Chair** in 2012 and a signatory to **Draft Resolution A/66/L.38**, Mexico is an **ideal candidate** to target for advocacy efforts.

- **3G** –**Singapore** spearheaded the creation of the 3G;

  - **Chile** proposed **Draft Resolution A/66/L.38**; and
  - **Switzerland**, Joseph Deiss' State, is also a signatory to **Draft Resolution A/66/L.38**.

- **BRICS** –
  - **Brazil**, a member of the G77, successfully challenged the "North" and garnered approval of its transfer pricing method by the UN Tax Committee and signed **Draft Resolution A/66/L.38**.

  - **India** is also a G77 member, a signatory to **Draft Resolution A/66/L.38,** and recently advocated for better automatic exchange of tax information.

  - Both **Brazil and India are pushing for** Security Council reform, perhaps an opening to exploit.

  - **Russia** will hold the G20 Presidency in 2013.

- **Germany** - The most economically powerful European State signed **Draft Resolution A/66/L.38.**

- **United Kingdom** – Prime Minister **Cameron's report on governance should be followed up** on to see if the G20 is truly committed to carrying out the 3G's proposals.

- **Kenya** –Helped promote **Draft Resolution A/66/L.38.**

- **Norway** – Foreign Minister Store's strongly-worded 2010 op-ed represented a **sharp rebuke of the G20** from a small European country.

iii. Advocacy Efforts in developing and developed countries

- The Pontifical Council's report and its ideals (i.e., **people-centered development and inclusiveness**) provide an opening to broaden advocacy for social change and greater fairness in the world economy. Along with efforts of networks of Protestant churches, ecumenical efforts generally and social service organizations, press the case for governments to take **greater responsibility for social concerns**.

- **Network with NGOs and Faith-Based Organizations** to pressure local and national governments to promote people-centered development and inclusiveness.

- General advocacy efforts supporting:
    - **People-centered development**
    - The Principle of **Subsidiarity**
    - **A global financial authority**, as per the Secretary General's Report and the Commission of Experts, "to coordinate financial regulation, including oversight of certain global rules."
    - **A Financial Transaction Tax**

Glossary

Ad Hoc Panel of Experts: A follow-up mechanism, i.e., independent and technical opinions and analysis for policymaking provided by an inclusive group of stakeholders, to the global financial and economic crisis

BRICS Development Bank: New global institution to mobilize resources for infrastructure and sustainable development projects in BRICS and other other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development

Bretton Woods Institutions: International financial institutions (i.e., the World Bank and International Monetary Fund)

Central World Bank: The Holy See's proposal for an international body that regulates the flow and system of monetary exchanges similar to national central banks

Coopération Internationale pour le Développement et la Solidarité (CIDSE): An international alliance of Catholic development agencies

Committee for Development Policy: Subsidiary body of ECOSOC, providing inputs and advice to the Council on emerging development issues. The committee is responsible for reviewing the status of LDCs and monitoring their progress once they surpass the category

Draft Resolution A/66/L.38: March 2012 General Assembly draft resolution on GEG authored by Ambassador Eduardo Galvez of Chile

Economic and Social Council (ECOSOC): Serves as the central forum for discussing international economic and social issues, and for formulating policy recommendations addressed to Member States and the United Nations system.

ECOSOC Resolution 2010/33: Resolution recognizing need for financing for development

Financial Transactions Tax: As advocated by the Pontifical Council for Justice and Peace, fair but modulated tax charges on financial transactions, i.e., transactions on the "secondary" market, in order to promote global development and sustainability, as well a revenue source for a world global fund supporting countries most affected by the global financial crisis

Global Leaders Forum (L27): Recommended forum within ECOSOC by the Institute of Global Policy designed to fairly represent nations on the basis of equitable geographic representation.

Global Financial Authority: An international body - as suggested by the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System - to coordinate financial regulation, including oversight of certain global rules

Global Public Authority: The Holy See's ideal for a supranational entity, which would ultimately replace national authorities to serve the common good of all mankind

Group of 8 (G8): Group of 8 countries (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States)

Group of 20 (G20): Forum that brings together nineteen countries and the EU

Group of 77 (G77): Formed in 1964; 77 developing countries signed the "Joint Declaration of the Seventy-Seven Countries" at the UNCTAD

International Financial Institutions (IFIs): (see Bretton Woods Institutions)

Institute for Global Policy (IGP): An organization dedicated to the promotion of human security and democracy

International Labor Organization (ILO): A specialised UN agency responsible for drawing up and overseeing international labour standards

International Monetary Fund (IMF): Offers advice on tax policy, revenue administration and legal drafting

Intergovernmental Subsidiary Body of the ECOSOC: Conversion of the Committee to this would allow for enhanced international cooperation toward reducing skill, information and technological gaps in development countries and improving their participation

Monterrey Consensus: Outcome of the 2002 Monterrey Conference, the United Nations International Conference on Financing for Development in Monterrey, Mexico

Official Development Assistance (ODA): Term compiled by the Development Assistance Committee the Organization for Co-operation and Development to measure aid

Organization for Economic Cooperation and Development (OECD): 34-member group of developed countries

Social Protection Floors: a set of basic social security rights and transfers, to help promote human rights and support decent living standards worldwide, while aiming to extend basic support and protection to all those in need

Subsidiarity: Principle based on allowing subordinate authorities, as opposed to a central authority, to carry out functions they perform effectively

United Nations Conference on Trade and Development (UNCTAD): Promotes integration of developing countries into world economy

United Nations Department of Economic and Social Affairs (DESA): UN Department that promotes development for all

United Nations Development Program (UNDP): Provides advice on taxation within the framework of its program on democratic governance

United Nations Economic and Social Council (ECOSOC): UN Charter body established in 1946

United Nations Entity For Gender Equality and the Empowerment of Women (UNIFEM): UN entity that promotes women's empowerment and gender equality, working for participation of women in all levels of development planning and practice.

Variable Geometry: Multilateral participation, i.e., in G20 processes, based on specialized interests

World Bank: Offers technical assistance in taxation to its members

Acronyms

3G Global Governance Group
BRICS Emerging Economies/Rising Powers: Brazil, Russia, India, China and South Africa
BWI Bretton Woods Institutions
CDP Committee for Development Policy
CIDSE Coopération Internationale pour le Développement et la Solidarité
ECOSOC United Nations Economic and Social Council
EU European Union
FfD Financing for Development
FFT Financial Transactions Tax
G7 Group of Seven
G20 Group of Twenty
G77 Group of Seventy-Seven
GECC Global Economic Coordination Council
GEG Global Economic Governance
GU Global Unions
ICC International Chamber of Commerce
ILO International Labor Organization
IMF International Monetary Fund
IMFC International Monetary and Finance Committee
ITUC International Trade Unions Confederation
LDC Least Developed Countries
L27 Global Leader's Forum
ODA Official Development Assistance
OECD Organization for Economic Cooperation and Development
SPF Social Protection Floors
SDR Special Drawing Rights
TU Trade Unions
UN United Nations
UNDP United Nations Development Program
UNCITRAL United Nations Commission on International Trade Law
UNCTAD United Nations Conference on Trade and Development
UNDESA United Nations Department of Economic and Social Affairs
UNIFEM United Nations Entity For Gender Equality and the Empowerment of Women
WB World Bank
WBG World Bank Group
WTO World Trade Organization

References

Abebe et al. "The United Nations' Role in International Tax Policy." Paper prepared by GPIA Practicum group for use of the NGO Committee on FfD. 7 March 2012.

BBC News. "BRICS Summit of Emerging Nations to Explore Bank Plan." 29 March 2012. http://www.bbc.co.uk/news/world-asia-17545347.

Birdsall, Nancy. "Double Majorities at the World Bank and the IMF - for Legitimacy and Effectiveness." Bretton Woods Non-Commission. Center for Global Development. 19 Mar. 2009.

BRICS India "Welcome to BRICS." http://www.bricsindia.in/index.html.

Cameron, David. "Governance for Growth: Building Consensus for the Future," *Number 10* November 2011. http://www.number10.gov.uk/wp-content/uploads/2011/11/Governance-for-growth.pdf.

Clift, Jenny. Senior Legal Office in the International Trade Law Division of UNCITRAL. Personal Interview on 24 April 2012.

Davis, Bob. "Stiglitz to G-20: Not So Bad." *Wall Street Journal.* 23 September 2009. http://blogs.wsj.com/g20/2009/09/23/stiglitz-to-g-20-not-so-bad/.

Deiss, Joseph. "Global Governance at the Beginning of the 21st Century: What is the Role of the United Nations?" *CEPAL Regional Seminar.* 8 August 2011.

European Union. "EU Presidency Statement – Follow-up to the International Conference on FfD (Monterrey 2002): The EU Barcelona Commitments." 30 October 2003. http://www.europa-eu-un.org/articles/en/article_2986_en.htm.

Familiar, Jorge. "Address to ECOSOC: 2012 ECOSOC Spring Dialogue with the BWIs, WTO, and UNCTAD." United Nations, 12 March 2012.

G20. "What is the G20?" http://www.g20.org/en/g20/what-is-the-g-20.

G77. "Ministerial Declaration." 23 September 2011. http://g77.org/doc/Declaration2011.htm.

G77. "Statement on Behalf of the Group of 77 and China by Minister Abderrahman Hamidaoui, Permanent Mission of Algeria to the United Nations, at the Informal Consultations on the High Level Thematic Debate of the UN General Assembly on the State of the World Economy." 12 April 2012. http://g77.org/statement/getstatement.php?id=120412b.

G77. "Statement on Behalf of the G77 and China by Minister Marcelo Suarez Salvia, Permanent Mission of Argentina to the United Nations, at the Special High-Level Meeting of ECOSOC with the Bretton Woods Institutions, the World Trade Organization and the United Nations Conference on Trade and Development, During the Thematic Debate of the Whole onvTheme 4: The Role of the UN System in Global Economic Governance." G77. 11 March 2011.

http://www.g77.org/statement/getstatement.php?id=110311b.

Galvez, Eduardo. Deputy Permanent Representative of Chile to the United Nations. Personal Interview on 3 April 2012.

GPO. "The Benefits of Open Trade and Investment Policies." In the "Economic Report of the President." 2009. http://www.gpo.gov:80/fdsys/pkg/ERP-2009/pdf/ERP-2009-chapter4.pdf.

Griesgraber, Jo Marie. Executive Director, New Rules for Global Finance. Personal Interview on 3 April 2012.

Griffith-Jones, Stephany. *DFID Report: Governance of the World Bank*. Rep. Print.

Hagan, Sean. "Proposed Amendment on the Reform of the IMF Executive Board and Fourteenth General Review of Quotas—Status of Acceptances and Consents." 14 March 2012.

Hanfstaengl, Eva. "Strengthening Global Economic Governance." 2011. http://www.socdevjustice.org/mediapool/96/965703/data/SDJ_on_Global_governance.pdf.

Herman, Barry. "A Pragmatic Ideal for GEG Reform." International Affairs Working Paper (June 2011). The New School, New York.

India Ministry of External Affairs. "Fourth BRICS Summit – Delhi Declaration." 29 March 2012. http://mea.gov.in/mystart.php?id=190019162.

The Institute for Global Policy. "About Us." http://www.wfm-igp.org/site/about.

The Institute for Global Policy. "Strengthening the Relationship between ECOSOC and the Bretton Woods Institutions for a Coherent and Effective Financial and Economic Architecture." February 2009. http://www.wfm-igp.org/site/files/IGP_OptionsforECOSOCandBWIRelationship_13Feb09.pdf.

International Monetary Fund. "Communiqué of the Twenty-Fifth Meeting of the IMFC." 26 Apr. 2012. http://www.imf.org/external/np/cm/2012/042112.htm.

International Monetary Fund. "Development Committee Communiqué, Spring Meetings." 25 April 2010." http://www.imf.org/external/np/cm/2010/042510.htm.

International Monetary Fund. "Development Committee Communiqué, Spring Meetings." April 16, 2011. http://www.imf.org/external/np/cm/2011/041611a.htm.

International Monetary Fund. "Factsheet -- IMF Quotas." http://www.imf.org/external/np/exr/facts/quotas.htm.

International Monetary Fund. "IMF Survey: IMF Board Approves Far-Reaching Governance Reforms." 26 Apr. 2012. http://www.imf.org/external/pubs/ft/survey/so/2010/NEW110510B.htm.

International Monetary Fund. "Reforming the IMF's Governance." http://www.imf.org/external/np/exr/govern/index.htm.

International Monetary Fund. "Transcript: IMF Managing Director Dominique Strauss-Kahn and First Deputy Managing Director John Lipksy at the Conclusion of the G20 Finance Ministers and Central Bank Governorsâ™ Meeting in Gyeongju, Korea." October, 2010. http://www.imf.org/external/np/tr/2010/tr102310.htm.

ITUC. "About Us." http://www.ituc-csi.org/about-us.html.

ITUC. "Global Unions London Declaration." April 2009. http://www.ituc-csi.org/IMG/pdf/No_16_-_G20_London_Declaration_FINAL.pdf.

ITUC. "Trade Union Priorities for the Mexico Presidency of the G20 in 2012." http://www.ituc-csi.org/IMG/pdf/g20-mexico-priorities_2012.pdf.

ITUC. "Workers and trade unions' consolidated contribution to the United Nations Conference on Sustainable Development: Rio+20." November 2011. http://www.ituc-csi.org/IMG/pdf/rio_20_ituccontribution.pdf.

Kelly, Jim. "UN Commission Proposes Global Economic Council to Create and Govern a "More Sustainable and Just Global Economic Order." Global Governance Watch. 13 April 2009. http://www.globalgovernancewatch.org/spotlight_on_sovereignty/un-commission-proposes-global-economic-council-to-create-and-govern-a-more-sustainable-and-just-global-economic-order-2.

Lawson-Remer, Terra. "Obama's Outside-the-Box Pick for World Bank President." *The Huffington Post*. TheHuffingtonPost.com. 2 April 2012. http://www.huffingtonpost.com/terra-lawsonremer/jim-yong-kim_b_1396131.html.

Lin, Jianhai. "Speaking Notes for Presentation by Mr. Jianhai Lin, Secretary of the International Monetary and Financial Committee, March 12, 2012." 2012 ECOSOC Spring Dialogue with the BWIs, WTO, and UNCTAD. United Nations, New York.

Monsters and Critics. "World Leaders Commit the Future G-20, financial reforms." http://news.monstersandcritics.com/usa/news/article_1503336.php/World-leaders-commit-to-future-G20-financial-reforms.

Muchhala, Bhumika. "Informal negotiations on a United Nations *ad hoc* Panel of Experts reveal deep North and South divide, with a final decision by the General Assembly postponed until end 2011." *Third World Network*. 30 September 2011. http://www.twnside.org.sg/title2/finance/2011/finance110907.htm.

New & Broadcast. "Resources." http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20040922~menuPK:34480~pagePK:34370~theSitePK:4607,00.html.

New Rules for Global Finance Coalition. "Report Makes Recommendations on IMF Accountability, IMF Listening - New Rules for Global Finance Coalition." http://www.new-rules.org/news/press-releases/42-report-makes-recommendations-on-imf-accountability-imf-listening.

New York Times. "Obama Candidate Sketches Vision for World Bank." 9 April 2012. http://www.nytimes.com/2012/04/10/business/global/jim-young-kim-sketches-vision-for-world-bank.html.

Pontifical Council for Justice and Peace. "Towards Reforming the International Financial and Monetary Systems in the Context of a Global Public Authority." *Zenit*. 24 October 2011. http://www.zenit.org/article-33718?l=english.

Rana, Pradumna. "Seoul G20 Summit: Will it Adopt Singapore's 3G Ideas?" *DR-NTU*. 29 October 2010. http://dr.ntu.edu.sg/bitstream/handle/10220/6629/RSIS1372010.pdf?sequence=1.

South Centre. "Meeting the Challenges of UN reforms: A South Perspective." August 2006. http://www.southcentre.org/ARCHIVES/index.php?option=com_content&task=view&id=323&Itemid=67.

Stancanelli, Nestor. "The G20 and the Charter for Sustainable Economic Activity." http://www.cei.gov.ar/userfiles/parte03bENG_0.pdf.

Store, J.G. "Time for G20 to Address it Legitimacy." *Norwegian Ministry of Affairs*. 6 April 2010. http://www.regjeringen.no/en/dep/ud/Whats-new/Speeches-and-articles/speeches_foreign/2010/g_20_cooperation.html?id=600820.

Subacchi, Paola and Jenkins, Paul. "Preventing Crises and Promoting Economic Growth: A Framework for International Policy Cooperation." *Chatham House and CIGI Report*. April 2011. http://www.chathamhouse.org/sites/default/files/public/Research/International%20Economics/r0411_ipc.pdf.

Subacchi, Paola and Pickford, Stephen. "Legitimacy vs. Effectiveness for the G20: A Dynamic Approach to Global Economic Governance." *Chatham House*. October 2011. http://www.chathamhouse.org/sites/default/files/1011bp_subacchi_pickford.pdf.

Subacchi, Paola and Pickford, Stephen. "Legitimacy vs Effectiveness for the G20: A Dynamic Approach to Global Economic Governance." *Chatham House*. October 2011. http://www.chathamhouse.org/sites/default/files/1011bp_subacchi_pickford.pdf

Third World Network. "North-south divide over Rio+20 document." 3 April 2012. http://www.twnside.org.sg/title2/sdc2012/sdc2012.120402.htm.

United Nations (CIDSE), "A political agenda for the Reform of Global Governance." http://www.un.org/esa/ffd/civilsociety/2003hearings/1003-IFG-on-govern.pdf.

United Nations. "2005 World Summit Outcome." http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N05/487/60/PDF/N0548760.pdf?OpenElement.

United Nations. "China's Position on the Issues of GEG and Development." 5 June 2011. http://www.un.org/esa/ffd/economicgovernance/China_UNTranslation.pdf.

United Nations. "Coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development." 20 April 2009. http://www.un.org/ga/search/view_doc.asp?symbol=E/2009/48&Lang=E.

United Nations. "Follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development." 25 August 2009. http://www.un.org/ga/search/view_doc.asp?symbol=A/64/322&Lang=E.

United Nations. "Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development." 13 July 2009. http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/63/303&Lang=E.

United Nations. "Recommendations by the Commission of Experts of the President of the General Assembly on reforms of the international monetary and financial system." 19 March 2009. http://www.un.org/ga/president/63/letters/recommendationExperts200309.pdf.

United Nations. "Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System." 21 September 2009. http://www.un.org/ga/econcrisissummit/docs/FinalReport_CoE.pdf.

United Nations. "Report of the Secretary-General: GEG and Development." 10 November 2011. http://www.un.org/ga/search/view_doc.asp?symbol=A/66/506&Lang=E.

United Nations. "Resolution 63/303: Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development," 13 July 2009. http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/63/303&Lang=E.

United Nations "Resolution 2011/39: Follow-up to the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development: consideration of the possible establishment of an ad hoc panel of experts." http://www.un.org/en/ecosoc/docs/2011/res percent202011.39.pdf.

United Nations. "Statement on Behalf of the Global Governance Group: GEG – From Rapid Response to Medium and Long-term Planning." 28 June 2011. http://www.un.org/esa/ffd/economicgovernance/28June2011/Stmt_3G_GEG.pdf.

United Nations. "Statement on Behalf of the Global Governance Group: Strengthening the Role of the UN in GEG." 2 June 2010. http://www.un.org/esa/ffd/events/2010GAWGFC/7/Stmt_Singapore.pdf.

United Nations. "Strengthening of the United Nations System: Central Role of the United Nations System in Global Governance." 02 March 2012. http://www.un.org/ga/search/view_doc.asp?symbol=A/66/L.38&Lang=E.

United Nations. "Strengthening the Framework for G20 Engagement of Non-members." 11 March 2010. http://www.un.org/ga/search/view_doc.asp?symbol=A/64/706&Lang=E.

United Nations. "The UNCITRAL Guide: Basic Facts about the United Nations Commission on International Trade Law." United Nations (Vienna 2007). http://www.uncitral.org/pdf/english/texts/general/06-50941_Ebook.pdf.

United Nations. "United Nations Conference on the World Financial Crisis and Its Impact on Development: Official Documents." United Nations. 24-26 June 2009. http://www.un.org/ga/econcrisissummit/docs.shtml.

United Nations. "Work Together to Meet Challenges and Pursue Common Development." 26 September 2011. http://gadebate.un.org/sites/default/files/gastatements/66/CN_en.pdf.

United Nations Conference on Sustainable Development. "About the Rio+20 Conference." http://www.uncsd2012.org/rio20/about.html.

Vatican. "Pontifical Council for Justice and Peace." http://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_pro_20011004_en.html.

Vatican. "Populorum Progressio: Encyclical of Pope Paul VI on the Development of Peoples." 26 March 1967. http://www.vatican.va/holy_father/paul_vi/encyclicals/documents/hf_p-vi_enc_26031967_populorum_en.html.

Vatican Radio. "Pope Benedict XVI Receives 2012 Annuario Pontificio." 10 March 2012. http://www.news.va/en/news/pope-benedict-xvi-receives-2012-annuario-pontifici.

The White House. "Council of Economic Advisors: About CEA." http://www.whitehouse.gov/administration/eop/cea/about.

Woods, Ngaire. *A Note on Decision-making Reform in the IMF, Global Economic Governance Program*. Rep. Oxford, 2005.

Woods, Ngaire, and Domenico Lombardi. *Effective Representation and the Role of Coalitions Within the IMF*. Working paper no. 17. Oxford: Global Economic Governance Program, 2005.

World Bank. "WB Site Tools." http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:23067074~menuPK:8336891~pagePK:50004410~piPK:36602~theSitePK:29708,00.html.

World Bank. "New World, New World Bank Group." DEVELOPMENT COMMITTEE - Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund On the Transfer of Real Resources to Developing Countries, April 25, 2012.

Acknowledgments

The Spring 2012 GPIA Global Economic Governance Practicum team would like to thank the NGO Committee on Financing for Development, in particular Kevin Dance, Daniel LeBlanc, Albert Gyan, Eva Friedlander, Emeka Obiezu, Cheryl Morrissey, Germaine Price, Levy Bautista and Sally Dunne, for their feedback and support in preparation for our Taxation and Global Economic Governance reports.

We are appreciative for the time and expertise of Ambassador Eduardo Galvez of Chile, Jo Marie Griesgraber, Jenny Clift, Alex Post, Hazem Fahmy, Michael Lennard, Louise Kantrow, and David Spencer over the past three months.

We are especially grateful to Barry Herman, our faculty advisor, for the guidance, expertise, suggestions and input he graciously provided during the last three months. We also thank Mona Shomali, Mark Johnson and the Graduate Program in International Affairs of The New School for laying the foundation for our Practicum. To our friends and family, your support has been unending and truly appreciated.