



CHATHAM HOUSE



The Centre for International
Governance Innovation
Centre pour l'innovation dans
la gouvernance internationale

The End of Laissez Faire: How to Globalize Governance of the World Financial System

5 November 2008
12:30-14:30
Chatham House, London

This event will begin with insights from the authors of a new book published by the Centre for International Governance Innovation in Canada. Following the 2007 G8 summit, *Emerging Powers in Global Governance: Lessons from the Heiligendamm Process* recognizes the centrality of emerging powers and pushes for their inclusion in discussions on the new global architecture.

Meanwhile, the spread of toxic 'Frankenstein' products through global markets has precipitated a major crisis and uncovered significant and large-scale regulatory and risk management failures. This has prompted many to claim that "laissez-faire is over".

This recognition presents regulators and international institutions with an unprecedented opportunity for reform, to review the systemic shortcomings of the current architecture and devise a new model of governance suitable for today's global economic realities.

The results of this brainstorming roundtable should feed into the G8 agenda in 2009.

Key questions

- What new rules are necessary to bring the crisis to an end and contain the financial risk of banks and financial institutions within manageable parameters?
- Which organization should be responsible for enforcing the new rules – can existing organizations such as the IMF, G8 or Bank for International Settlements take up the role – or should a completely new body be created?
- Which nations need to be represented in this new regulatory body – the BRICs, Saudi Arabia – and are new actors ready and willing to take on this role?
- What are the key conflicts between international and national governance and what decisions need to be taken at which level? While financial stability is a global public good, how to proceed in cases when the objectives of one country conflict with the interests of another?

Programme

12.30-12.45 Lunch

12.45-12.50 Welcome and Introduction

Paola Subacchi, Research Director, International Economics, Chatham House

12.50-13:05 Emerging Powers in Global Governance: Lessons from the Heiligendamm Process

Andrew Cooper, Associate Director, CIGI
Gregory Chin, Senior Fellow, CIGI

13.05-14.30 How to globalize governance of the world financial system?

Chair: Paola Subacchi, Research Director, International Economics, Chatham House

Discussants: Jon Cunliffe, Prime Minister's Adviser on International and European Policy, Cabinet Office
Paolo Guerrieri, Vice President, Istituto Affari Internazionali (IAI), Rome
Barbara Ridpath, Chief Executive Officer, The International Centre for Financial Regulation

General discussion

Concluding remarks