

## Global Commissions on the Reform of the Financial System

### 1. Commission of Experts of the President of the UN General Assembly on Reforms of the International Monetary and Financial System (Stiglitz Commission)

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#### Background

In October 2008, the President of the General Assembly, Miguel D'Escoto Brockmann, announced his intention to establish a commission of experts 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. He appointed Prof. Joseph Stiglitz (Columbia University, USA) as chair of the commission. In November 2008 the GA President appointed the 18 members of the commission.

#### Members

- (1) **Mr. Joseph Stiglitz** (USA) (*Chair*). Nobel Prize in Economic Sciences (2001). Former Senior Vice President and Chief Economist of the World Bank.
- (2) **Mr. Andrei Bougrov** (Russia). Managing Director and member of the Board of Directors of the Interros Company. Former Principal Resident Representative of Russia, Executive Director and member of the Board of Directors of the International Bank for Reconstruction and Development.
- (3) **Mr. Yousef Boutros-Ghali** (Egypt). Minister of Finance. Chair of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund.
- (4) **Mr. Jean-Paul Fitoussi** (France). Professor of Economics at the Institut d'Etudes Politiques de Paris since 1982. Currently President of the Scientific Council of the Institut d'Etudes Politiques de Paris and President of the Observatoire Français des Conjonctures Economiques.
- (5) **Mr. Charles A. E. Goodhart** (UK). Norman Sosnow Professor of Banking and Finance, London School of Economics. Former Chief Advisor to the Bank of England and member of its Monetary Policy Committee.
- (6) **Mr. Robert Johnson** (USA). Former Chief Economist of the US Senate Banking Committee and former Senior Economist of the U.S. Senate Budget Committee. Former managing director at Soros Fund Management. Member of the Board of Directors of the Economic Policy Institute and the Institute for America's Future.
- (7) **Mr. Jomo Kwame Sundaram** (United Nations). Assistant Secretary-General for Economic Development, United Nations Department of Economics and Social Affairs.
- (8) **Mr. Benno Ndulo** (Tanzania). Governor of the Bank of Tanzania.
- (9) **Mr. José Antonio Ocampo** (Colombia). Former UN Under-Secretary-General for Economic and Social Affairs and Finance Minister, Colombia. Currently Professor, School of International and Public Affairs, Columbia University.
- (10) **Mr. Pedro Páez** (Ecuador). Minister for Economic Coordination, Ecuador.
- (11) **Mr. Avinash Persaud** (Barbados). Chairman of Intelligence Capital Limited. Member of council, London School of Economics. Founding director of the Global Association of Risk Professionals.
- (12) **Mr. Yaga Venugopal Reddy** (India). Former Governor of the Reserve Bank of India.
- (13) **Mr. Rubens Ricupero** (Brazil). Former Secretary-General of UNTACD. Former Minister of Finance of Brazil.

- (14) **Mr. Eisuke Sakakibara** (Japan). Former Vice Minister of Finance for International Affairs. Currently Professor at Waseda University, Tokyo.
  - (15) **Mr. Chukwuma Soludo** (Nigeria). Governor, Central Bank of Nigeria.
  - (16) **Ms. Heidemarie Wieczorek-Zeul** (Germany). Federal Minister of Cooperation and Development, Germany.
  - (17) **Mr. Yu Yongding** (China). Director, Institute of World Economics and Politics, Chinese Academy of Social Sciences. Former Member of Monetary Policy Committee, People's Bank of China.
  - (18) **Ms. Zeti Akhtar Aziz** (Malaysia). Governor and Chairman, Central Bank of Malaysia.
- Rapporteur: **Mr. Jan Kregel** (US). Former UNDESA staff; now University of Kansas and the Levy Economics Institute of Bard College.

Special Representatives of the President of the General Assembly:

- (1) **Mr. François Houtart** (Belgium).
- (2) **Mr. Ali Boukrami** (Algeria).
- (3) **Mr. Oswaldo Martinez** (Cuba).

<http://www.un.org/ga/president/63/commission/members.shtml>

## Objectives

- (1) The Commission will seek to identify the broad principles underlying needed institutional reforms required to ensure sustained global economic progress and stability which will be of benefit to all countries, developed and less developed.
- (2) The Commission will suggest a range of credible and feasible proposals for reforming the International monetary and financial system in the best interest of the international community, identify the merits and limitations of alternatives, and will evaluate in particular those that are at the centre of current global discussions.

## Work plan

The Commission will hold at least three formal meetings to discuss the issues and to begin drafting the report. The report will be published and distributed to member states, other involved parties and the wider public as part of a larger United Nations General Assembly initiative to achieve the needed reforms.

The first plenary meeting was held in New York 5-6 January 2009 and the second meeting in Geneva 9-10 March 2009. The third meeting will be held at the UN headquarters in New York to discuss the draft of the report from 25 to 27 March 2009. A fourth meeting is planned to take place in the end of April. The President of the General Assembly plans to distribute the final report to Member States in May, at which point it will also be launched publicly at press conferences in a number of locations worldwide.

## Expected result

The Commission will issue a report that will be published in May 2009.

An **interim report** has been published on 19 March 2009.

<http://www.un.org/ga/president/63/letters/recommendationExperts200309.pdf>

## Further information

[http://www.un.org/ga/president/63/commission/financial\\_commission.shtml](http://www.un.org/ga/president/63/commission/financial_commission.shtml)

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## 2. Committee of Eminent Persons to Assess IMF Governance

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### Background

The IMF Managing Director, Dominique Strauss-Kahn, announced the establishment of the Committee on September 4, 2008. The task of the Committee is to assess the adequacy of the IMF's current framework

for decision making and to advise on any modifications that might enable the institution to fulfil its global mandate more effectively.

## Members

- (1) **Mr. Trevor Manuel** (South Africa) (*Chair*). Finance Minister of South Africa
- (2) **Mr. Michel Camdessus** (France). former Managing Director of the IMF
- (3) **Mr. Kenneth Dam** (USA). Max Pam Professor at the University of Chicago
- (4) **Mr. Mohamed El-Erian** (Egyptian origin). co-CEO and co-CIO of Pacific Investment Management Co.
- (5) **Ms. Sri Mulyani Indrawati** (Indonesia). Minister of Finance of Indonesia
- (6) **Mr. Guillermo Ortiz** (Mexico). Governor of the Bank of Mexico
- (7) **Mr. Robert Rubin** (New York). Senior Counselor at Citigroup
- (8) **Mr. Amartya Sen** (India). Lamont University Professor at Harvard University

## Objectives

The committee will discuss the question of whether the significant changes since the establishment of the Fund require reform of the institutional framework through which members' voting power is actually exercised. Among other things, this includes consideration of the respective roles and responsibilities of the Board of Governors, the International Monetary and Financial Committee (IMFC), the Executive Board, and Fund Management.

## Expected result

The Committee is expected to report its findings by **April 2009**.

## Further information

<http://www.imf.org/external/np/sec/pr/2008/pr08200.htm>

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## 3. High Level Commission for Reform of World Bank

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### Background

The creation of the Commission has been announced by World Bank President Robert B. Zoellick on October 6, 2008. The Commission has the task to consider modernizing the governance of the World Bank Group.

### Members

- (1) **Mr. Ernesto Zedillo** (Mexico) (*Chair*). Former President of Mexico.
- (2) **Ms. Rima Khalaf** (Jordan). Former U.N. Assistant Secretary General, Director of the Regional Bureau for Arab States at the United Nations Development Program, and former Deputy Prime Minister of Jordan.
- (3) **Mr. Pascal Lamy** (France). Director General of the WTO
- (4) **Mr. Zhou Xiaochuan** (China). Governor of the People's Bank of China
- (5) **Mr. John Kufuor** (Ghana). Former President of Ghana
- (6) **Mr. Arminio Fraga** (Brazil). Former President of the Central Bank of Brazil.
- (7) **Ms. Sadako Ogata** (Japan). President of Japanese International Cooperation Agency (JICA) and former United Nations High Commissioner for Refugees
- (8) **Mr. John F.W. Rogers** (USA). Secretary to the Board, Goldman Sachs
- (9) **Mr. Herman Wijffels** (Netherlands). Former World Bank Executive Director and former Chairman of the Board of Rabobank

- (10) **Mr. Montek Singh Ahluwalia** (India). Deputy Chairman of the Planning Commission, India.
- (11) **Baroness Shriti Vadera** (Great Britain). Minister for Economic Competitiveness and Small Business and former Parliamentary Under-Secretary of State in the Department for International Development, United Kingdom.
- (12) **Ms. Heidemarie Wieczorek-Zeul** (Germany). Federal Minister of Economic Cooperation and Development, Germany.

## Objectives

The Commission shall explore ways in which the World Bank can operate more effectively, efficiently, dynamically and legitimately in a transformed global political economy.

The World Bank must also adapt more quickly to meet new needs of its clients and interests of its shareholders. There is a need to better align governance with the realities of the 21st century.

## Expected result

The Commission will report to the World Bank at the **October 2009** Annual Meetings.

## Further information

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0..contentMDK:21927606~pagePK:64257043~piPK:437376~theSitePK:4607,00.html>

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## 4. UNCTAD Task Force on Systemic Issues and Economic Cooperation

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### Background

The Task Force has been established at the UNCTAD Board Meeting on 13 November 2008 (UNCTAD/PRESS/IN/2008/028/Rev.1). At the Doha Conference on Financing for Development, UNCTAD and the Dutch Government presented the Task Force at a side event on “Financial crises, global imbalances and national policy space” (30 November 2008).

The Task Force has been established to coordinate research on major weaknesses in the international financial system and related institutional architecture of concern to developing countries.

### Members

- **Mr. Heiner Flassbeck** (Germany) (*Chair*). Chief of Macroeconomics and Development, UNCTAD. Professor at the University of Hamburg.
- Other UNCTAD economists

### Objectives

Establishment of a new multilateral regime to stave off currency speculation and provide the policy space for all countries to pursue expansionary fiscal and monetary policies to protect jobs and their domestic economy (counter-cyclical measures) in the face of a recession or financial crisis.

Thematic focus of the Task Force:

- Currency speculation and global monetary cooperation
- Commodity futures speculation and price volatility
- Financial sector regulation and surveillance

### Expected result

In March 2009, a report has been published under the title “**The Global Economic Crisis: Systemic Failures and Multilateral Remedies.**” [http://www.unctad.org/en/docs/gds20091\\_en.pdf](http://www.unctad.org/en/docs/gds20091_en.pdf)

## Further information

[http://www.un-ngls.org/article.php3?id\\_article=670](http://www.un-ngls.org/article.php3?id_article=670)

## 5. High-Level Expert Group on Financial Supervision in the EU

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### Background

The Expert Group has been established in October 2008 by José Manuel Barroso, President of the European Commission. The Group has been requested to make proposals to strengthen European supervisory arrangements covering all financial sectors, with the objective to establish a more efficient, integrated and sustainable European system of supervision.

### Members

- (1) **Mr. Jacques de Larosière** (France) (*Chair*). Former Managing Director of the IMF.
- (2) **Mr. Leszek Balcerowicz** (Poland). Former Finance Minister of Poland
- (3) **Mr. Otmar Issing** (Germany). Former Member of the Executive Board of the European Central Bank
- (4) **Mr. Rainer Masera** (Italy). Former Budget Minister of Italy, ex-chairman of the Sanpaolo IMI Group, ex-Managing Director of Lehman Brothers
- (5) **Mr. Callum Mc Carthy** (Great Britain). Director of the British Financial Services Authority.
- (6) **Mr. Lars Nyberg** (Sweden). Co-chair of the Swedish Central Bank.
- (7) **Mr. José Pérez** (Spain). Head of Intermoney.
- (8) **Mr. Onno Ruding** (Netherlands). Former Finance Minister of the Netherlands.

### Objectives

The group should consider:

- how the supervision of European financial institutions and markets should best be organised to ensure the prudential soundness of institutions, the orderly functioning of markets and thereby the protection of depositors, policy-holders and investors;
- how to strengthen European cooperation on financial stability oversight, early warning mechanisms and crisis management, including the management of cross border and cross sectoral risks;
- how supervisors in the EU's competent authorities should cooperate with other major jurisdictions to help safeguard financial stability at the global level.

The Group will examine the allocation of tasks and responsibilities between the national and European levels.

### Work plan

The Group began its work in mid-November and held 11 full day meetings. It received oral evidence from several personalities and representatives of European financial services associations and international institutions.

### Expected result

The Group presented its report on **25 February 2009**.

### Further information

[http://ec.europa.eu/commission\\_barroso/president/pdf/statement\\_20090225\\_en.pdf](http://ec.europa.eu/commission_barroso/president/pdf/statement_20090225_en.pdf)

## 6. The Warwick Commission on International Financial Reform

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### Background

The Warwick Commission on International Financial Reform will bring together a range of world-class economists, political scientists, and lawyers from both the scholarly and policy worlds to explore how international financial reform can move beyond questions of architecture and towards how it may be possible to build consensus.

### Members

- (1) **Mr. Avinash Persaud** (*Chair*). Chairman of Intelligence Capital Limited. Member of council, London School of Economics. Founding director of the Global Association of Risk Professionals.
- (2) **Mr. Leonard Seabrooke**. Professor in International Political Economy, Director of the Centre for the Study of Globalisation and Regionalisation, University of Warwick.
- (3) **Mr. Heriber Dieter**. Adjunct professor at Free University of Berlin. Senior Fellow in the Research Unit Global Issues at the German Institute for International and Security Affairs, Berlin. Associate Fellow, Centre for the Study of Globalisation and Regionalisation (CSGR), University of Warwick.
- (4) **Mr. Mark Taylor**. Professor of International Finance and Macroeconomics at Warwick. Managing Director of Barclays Global Investors (BGI).
- (5) **Ms. Eleni Tsingou**. Research Fellow at the Centre for the Study of Globalisation and Regionalisation, University of Warwick.
- (6) **Mr. Eric Helleiner**. CIGI Chair in International Governance at the Balsillie School of International Affairs. Professor, Department of Political Science at the University of Waterloo. Founding Director of the MA and PhD programs in Global Governance at the Balsillie School.
- (7) **Ms. Anna Gelpern**. Faculty of the Division of Global Affairs at Rutgers-Newark. Visiting fellow at the Peter G Peterson Institute for International Economics.
- (8) **Mr. Mark Blyth**. Associate Professor of Political Science at the Johns Hopkins University Baltimore.
- (9) **Mr. Soedradjad Djiwandono**. Emeritus Professor of Economics, the University of Indonesia. Visiting Professor at the Institute of Defence and Strategic Studies (IDSS), Nanyang Technological University (NTU), Singapore Former Governor of Bank Indonesia.
- (10) **Mr Diery Seck**. Director of the United Nations African Institute for Economic Development and Planning (IDEP) in Dakar, Senegal.
- (11) **Mr. Rajiv Kumar**. Director of the Indian Council for Research on International Economic Relations (ICRIER).
- (12) **Ms. Stephany Griffith-Jones**. Executive Director at the Initiative for Policy Dialogue, Columbia University New York.
- (13) **Mr. Jacques Delpla**. Economist at BNP Paribas.
- (14) **Mr. Injoo Sohn**. University of Hong Kong.

### Objectives

The commission undertakes an examination of international financial reform in light of the present financial crisis. The Commission will consider how talk of 'international financial architecture' appears out of touch with market realities.

A range of topics are important here in understanding possibilities for contemporary international financial reform. Among others, they include:

- Reforming bank regulation to improve macro-financial stability.
- The relationship between banks and the 'shadow banking' sector.
- The relationship between financial regulation and social policy.
- The impact of asset booms on wealth accumulation and distribution within OECD economies.
- The impact of asset booms on wealth accumulation and distribution within Emerging Market Economies.

- Differences in the political economy of credit access within OECD economies that constrain regulatory harmonisation.
- International cooperation between regulatory agencies.
- Mechanisms to address global imbalances from capital flows.
- The legitimacy of international economic institutions, particularly the representation of non-G-7 states.

The Warwick Commission is especially concerned with the political economy of reform, focusing explicitly on the politics of the crisis and its links to the real economy in OECD economies, as well as questions of representation for Emerging Market Economies within international financial reform debates.

### **Work plan**

The Commission first met on January 29, 2009. The first plenary meeting will take place in Berlin in March and again in June 2009. Over the following months the Commission will hold sessions and meetings in Warwick, London, Berlin and Brussels and consult important stakeholders in targeted workshops with practitioners, academics and relevant NGOs before presenting their final report in Istanbul in October.

### **Expected result**

Final report in **October 2009**.

### **Further information**

<http://www2.warwick.ac.uk/research/warwickcommission/>

*Mira Florian, 24 March 2009*