



CIGI'09

TOWARDS A GLOBAL NEW DEAL

REPORT OF A CONFERENCE OCTOBER 2-4, 2009

SUMMARY

More than a year ago, US Federal Reserve Chairman Ben Bernanke was quoted as saying in *The New York Times*: "There are no atheists in foxholes and no ideologues in financial crises."¹ As businesses, financial institutions and nations all over the world continue to struggle with the most serious global financial crisis and recession since the Great Depression, it is clear that global economic recovery will require new ideas and innovative approaches.

With this in mind, and to support the generation of ideas for governance improvements, The Centre for International Governance Innovation (CIGI) brought together its research team and other experts from around the world in Waterloo, Ontario, on October 2-4 2009, to address the factors that caused the crisis, and to debate the policy and institutional responses aimed at preventing a recurrence and creating a more stable global financial and economic system.

Four keynote speakers provided the framework for the analysis. Roberto Mangabeira Unger criticized the current institutional convergence that had eliminated the diversity necessary for systemic survival and stifled collective creative responses. Paul Martin stressed the tasks ahead for the G20, namely dealing with poverty in Africa, climate change and establishing a more stable financial system. Jagdish Bhagwati stressed the need to press

ahead with the Doha Round to prevent the rule-based trading system from unraveling and the need for institutional reform to make globalization more equitable and more palatable to the public. Paul Krugman concentrated on how the evolution of the financial system precipitated the crisis and how improved regulation and greater international macro coordination are needed to pull the world economy out of the recession and to prevent future crises. This report provides an overview of the conference proceedings and the major themes of the discussions.

Though the conference participants did not arrive at one solution for the post-crisis economic recovery, the discussions gravitated towards the following major points for the future. Given the source of the crisis, it is clear that both national and international financial regulations need to be redesigned to provide not only flexibility but also safety for investors. This must be done in unison with more macroeconomic coordination involving states and institutions. Given the increasing interconnectedness of the global economy, unilateral actions aimed at fixing system-wide problems are no longer viable. As we have seen already in the case of the internationally coordinated stimulus packages, cooperation on a global scale is the new reality.

Next, the world trading system must be, again, at the forefront of policy debates. For the first time since World War II, international trade has sharply decreased. However, the World Trade

Manmohan Agarwal and Agata Antkiewicz



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Addressing International Governance Challenges

Organization (WTO) is still the best place for discussion of trade issues affecting the whole of the system. Not only is the completion of the Doha Round necessary to improve the image of the organization; even a minimalist agreement would free up the WTO negotiating table to discuss the new trading reality brought upon by the crisis. Trade protectionism is but one example of possible dangers to the system which has been vital to many nations' prosperity.

Finally, the crisis also raised questions about global political and economic leadership. The American unilateralism of the past two decades needs to be replaced with a more collective effort to bring about the recovery. This is a chance for developing countries to take on a more substantial role in international governance. The elevated role of the Group of 20 (G20) may indeed be the "global new deal."

CONTEXT

The current world economic order originates from the aftermath of World War II and has been evolving ever since. It has its roots in the principles of free flows of trade, capital and investment supported by technical progress and a range of international institutions, most notably the WTO, the World Bank and the International Monetary Fund (IMF) tasked with providing oversight of various elements of the system. On the whole, the world economy of the twentieth century has been successful. Estimates show that the amount of goods and services produced in the twentieth century exceeded the total cumulative output of the preceding human history.²

However, the evolution of the global financial system has been all but uneventful. The occurrence of financial crises has doubled since 1914 with more than 100 financial crises counted between 1973 and 1997.³ As the global economy developed,

economic strategies and financial priorities of national governments were adjusted accordingly – from full employment, capital controls and fixed exchange rates as per the Bretton Woods agreements, to flexible exchange rates, high inflation and budget deficits in the 1970s, to policies of increased deregulation and reliance on pure market forces to deal with the cyclical nature of the global economy in the following decades. It is now clear that the latter policy decisions combined with rising global imbalances, development of new instruments on financial markets and lax supervision thereof, as well as increased interconnectivity of the global economy had dire, though unintended, consequences for the entire system.

The resilience of the global economic order as we have known it has faced a difficult test, and undoubtedly, the global economic crisis has left large questions about the ability of various governance systems to manage globalization and set policy priorities in global finance, trade and investment, and food security and poverty, among others.

Over the three days of the conference, experts from around the world discussed the many ripple effects of the global financial and economic crisis. There was much discussion about the causes of the crisis and also about the priorities that need to be addressed in order to make the system function better. It was all too evident that addressing the magnitude and great complexity of issues on the table would prove to be a difficult challenge. Considering the long-term impacts of short-term policy reactions to the crisis, the emergence of evermore important policy coordination, the shifting role of the state in economic governance and other related issues has made many experts question the current state of affairs. Notwithstanding the challenges that the global economy, nations, governments, businesses and people across the globe still face, the crisis has also provided an opportunity to rethink existing structures and perhaps redesign some of their elements.

THE CAUSES OF THE CRISIS

As was demonstrated during the twentieth century, any financial crisis has consequences for the world economy both in terms of its causes and lessons learned. However, the current economic downturn and the underlying financial crisis differ substantially from any other in the past. This crisis originated in the financial structures of the highly industrialized economies that have been at the forefront of the global economy for decades. Yet, the warning signs were all but ignored. It took a coordinated and collective approach of international institutions, developed and developing countries to halt the crisis and find a way out.

Manmohan Agarwal is a senior visiting fellow at CIGI.
Agata Antkiewicz is senior researcher at CIGI.

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Without a doubt, one of the root causes of the crisis was the fact that many financial institutions had very high leverage ratios that made them vulnerable to shocks. These high leverage ratios were the result of lax supervision and large global imbalances, with some countries running large surpluses and others large deficits. The debt levels and subsequent leveraging were reinforced by the global imbalances, and vice versa. The debt could not have been possible without the imbalances and the imbalances could not have been sustained without the ease in financial regulations. The IMF's analysis stressed the growing imbalances, but did not explore the interaction between these imbalances and the financial system. Furthermore, the Fund concentrated on situations in developing countries and ignored the potential for a crisis starting in developed countries.

Lax supervision and improper financial regulation facilitated the run-up of high leverage ratios. It was financial innovations and the prevailing atmosphere encouraging liberalization that resulted in the financial sector outgrowing the capacity of the regulatory system. But another aspect of regulation also contributed to the crisis. The evolution of the financial system has resulted in similar rules for different financial institutions so that they all buy or sell at the same time. During the recent crisis there were no buyers, only sellers, leading to sharp declines in financial asset prices. Financial regulation needs to allow for greater diversity, differentiating institutions with primarily long-term liabilities from those with mainly short-term liabilities.

Conference participants agreed that a process of homogenization leading to a lack of diversity was a major factor in making the world's financial system brittle. The increased connectivity of the global economy only aggravates this brittleness by providing multiple pathways through which shocks can spread between countries. The current system, which has sought to enforce the same institutions and processes in the name of free trade and other policies, also seeks to outlaw the cooperation between the government and the private sector, which was a key element in the development of the highly industrialized, and currently the richest, countries in the world.

This uniformity prevents the active empowerment and involvement of people in devising institutions more in consonance with their desires and needs. The lack of popular participation stifles collective creativity and originality. The key to increasing the system's resilience and enhancing its capacity to respond to challenges is a greater repertory of institutions and approaches resulting from the freeing of collective creativity.

At the same time, several speakers stressed that in the pursuit of efficiency all slack was eliminated from the system,

which further contributed to its brittleness. Just-in-time inventory systems are an illustration of this. Another example is the necessity of companies to lay off workers when demand declines. While this is understandable from the employers' point of view, it only aggravates the decline in demand and thereby deepens the problem. The only response by world policy makers, so far, has been a shrunken and minimalist Keynesianism as there seems to be no alternative ideas. Today, the progressive movement sees no real alternatives to current institutional and policy trends. Indeed, as Professor Unger noted during the conference, "the recalcitrant progressives seek merely to slow the train and the surrendered leftists seek to make the situation more tolerable through a better income distribution."

THE CONSEQUENCES OF THE CRISIS

The cost of the crisis is still being tallied. A catastrophic, synchronized fall in trade, the financial shocks and a reduction in capital flows (including financial aid) have precipitated a worldwide decline in economic activity.

Trade was recognized as one priority issue. The immediate need is to complete the Doha Round, which would restore faith in the health of the rule-based trading system. Otherwise, the strains in world trade may begin to unravel the entire trading system so painstakingly put together over the decades. Undeniably, trade liberalization has resulted in unprecedented economic growth in the post-war years. Though there have been periods when groups of countries did not grow because of special circumstances,⁴ growth resulting from increased international trade has helped lift millions of people out of poverty. China and India are just two examples.

Nevertheless, the G20's endorsement of openness at the Pittsburgh Summit in September 2009 was lukewarm at best, mainly because the US president seemed unconvinced about the benefits of liberalization. The "buy American" provisions in the US stimulus bill seemed to have caused some retaliation and we have since seen an increase in trade protection in many countries, including all members of the G20. Fortunately, the increasing protectionism, while worrisome, has so far been relatively limited. In addition, going forward there is a need to tackle other emerging issues such as rules for investment and competition policy.

On the other hand, freer trade together with technical change has put pressure on wages, particularly of unskilled workers, in order for firms to maintain competitiveness. As noted earlier, one way for companies seeking to maintain their competitiveness and efficiency is greater flexibility in firing work-

ers when demand declines. If support for globalization is not to be eroded, then solutions must be found to this problem facing many workers. There was consensus among the participants that greater access to enhanced education is needed to equip workers for better paying jobs. At the moment, the reduced tenure at jobs makes it unattractive for companies to provide training. As Prof. Bhagwati noted, institutional innovation is needed to provide workers with training. Clearly, this will not happen automatically and national and regional policies are needed to bring about these changes.

Even though the crisis originated in the developed world, few can dispute that the decline in trade and capital flows has hit many developing countries hard. This is especially true for Africa and is very worrisome given that in another couple of decades the African population will be larger than that in India or China. As opposed to developed countries where the primary concern is the condition of the financial system, most of Africa's anxiety comes from food security. Initially, higher international food prices had been caused by speculation in commodity futures and index funds. Since the unraveling of the financial crisis international food prices have declined, but this decline has not translated into lower prices in poorer countries. Decline in trade credit caused by the financial crisis has prevented these countries from importing adequate amounts of food. In addition, and as a consequence of a decline in demand in developed countries caused by lower incomes, many developing countries have had to compensate by enduring devaluations of their currencies in the aftermath of the crisis. Hence, the limited amount of food that has been imported by African countries is more expensive.

Moreover, longer-term trends in food production are troubling. The international architecture of agencies involved in food is in disarray due to the presence of multiple agencies without coordination among them. Productivity has hardly grown due to stagnation of investment in agriculture and aid for agricultural development has fallen. More and more of agricultural aid is channeled to meet emergency situations, evermore frequent in part because of the neglect of agricultural investment. As was pointed out during the conference, the provision of emergency aid in lieu of aid for agricultural investment does not bode well for tackling the underlying trends and causes of the current agricultural situation.

Increased production will require revamping the world's agricultural system. The earlier success stories of Brazil, China and India were the result of the capacity of their national research systems to take advantage of international research and to adapt it to local conditions. For higher productivity in Africa, it is essential to improve African capacity for research to shape solutions to their problems.

It was observed that the G20's recent call to raise agricultural investment is long overdue. But higher production, while necessary, will not be sufficient to solve the problem of world hunger, now affecting more than a billion people worldwide. The increasing dependence of poor countries on imports of cheap food caused by distortions in the global agricultural system⁵ will need to be stopped. The lack of progress in the Doha Round, particularly in agriculture, is of major concern to developing countries.

Recovery of the world economy will not be easy. While the acute phase of the crisis is over, major problems remain. Experience from past crises suggests that a permanent loss of 10 percent of world income is possible. Also, most countries facing a crisis in the past have started their recovery process through a growth of exports. However, since the current crisis is worldwide, exports cannot be an engine of growth. The trend of US consumers raising their savings rates severely constrains the ability of the US economy to pull the world economy out of the current malaise. The popular hope is that it will be the emerging economies that can spark a recovery for the world economy. However, generally speaking, most developing countries are as yet too small to be able to engineer a global economic recovery on their own. The Chinese economy with its many linkages may be able to play a major, but certainly not a solo, role in the recovery. What may be needed is a major new innovation that can spark an investment boom.

The severe losses that accompany the current crisis clearly show that new mechanisms must be put in place to prevent such occurrences in the future. The declaration by the G20 in Pittsburgh that it will be the steering mechanism for the world economy is a major development in the global governance architecture. The major issues that such a steering mechanism will have to deal with include, but are not limited to, financial regulation, global monetary management and facilitating the recovery of the world economy. International cooperation will be needed to engineer and reinforce the recovery. In particular, greater macro cooperation will most likely be needed to maintain macro stability. Fiscal policy in particular requires coordination as the costs are national and the benefits are global. As Prof. Krugman noted, it is fiscal policy that has to be used since monetary policy lost traction. When interest rates were cut, they soon reached the lower bound of zero percent. Interest rates would have to be at higher initial rates in order to provide more room for cuts. But higher interest rates would prevail only if inflation rates were higher. Inflation targets in most developed countries currently are about 2 percent; this target could be raised to 4 percent to permit higher interest rates and greater scope for cuts.

ROADMAP FOR RECOVERY

We need to strengthen regulation of financial intermediaries and have better arrangements for an international lender of last resort and to provide liquidity. The latter issue was handled quite well though on an ad hoc basis, but more defined rules are necessary. Preventing future crises will require proper monitoring and sanctions to ensure regulations are not evaded. The G20 will have to enunciate proper actions that are in the interest of humanity at large and not driven by mere self-interest of those represented around the table. It will also have to ensure that promises are kept and that monitoring and supervision is even-handed. Some feared that outdated notions of sovereignty based on the Westphalian model could be used to stall the needed reforms and ensure compliance. Implementation of common standards cannot be stymied under the pretext of sovereignty.

On the other hand, monitoring should not try to produce uniformity. Lack of diversity was, after all, one of the causes of the crisis. Roberto Unger stressed that people should be allowed national projects that allow full scope to their collective ingenuity and their perception of their needs. The new rules of regulation must try to create diversity among institutions so that the probability of herd behaviour is reduced. Regulations must seek to make credit cycles less intense by policy makers leaning against the wind. Clearly, the issue of excessive leverage has to be addressed as well. The precise questions of which institutions should be regulated and monitored can be left to the regulator. It was also stressed that since it is difficult to make regulatory changes when problems start to loom, it is necessary to have restrained discretion limited by rules. A more fundamental issue is the relation between production and financial systems. In a situation where firms self-finance their investments, the role of financial markets is unclear. Restoration of sensible proportion between finance and production is imperative.

The new system should be monitored by multilateral surveillance of all systemically important countries. Monitoring, however, will work only if the countries have faith in the surveillance system. Peer pressure will be necessary to reduce and prevent the re-emergence of large imbalances. This crisis is a salutary reminder that crises can be initiated in developed countries as easily as in developing countries, as has occurred in recent decades. However, it is difficult to be completely rule-bound as we do not as yet know what combination of individual risks will lead to systemic risk.

The persistence of global imbalances has already raised questions about the sustainability of the international use of the US dollar. Similar alarms have been raised in the past and yet, the dollar has survived as an international currency of

choice. It is difficult to foresee any immediate change in the US dollar's position. In the case of the euro, the only potential rival currency, clear rules are lacking about the operation of the European Central Bank (ECB), particularly its role as a lender of last resort. In Asia, the Chinese are experimenting with gradually allowing the renminbi to play a larger role. Nevertheless, given the current condition and size of the Chinese economy and the still very limited international importance of renminbi, China is not in a position to challenge the dollar immediately. It could potentially provide such a challenge, but no earlier than 15 or so years into the future.

Given the causes of the crisis, it is very important to reduce global imbalances, a step that requires greater dependence on each country's own savings. The US model of mass consumption cannot be reconciled with the worsening income distribution except through rising debt levels. The major redistribution necessary to correct this situation cannot be brought about by fiscal and social programs. Inequality cannot be tackled except by changing property relations. Conference participants agreed that people must have access to education and the emerging ways of production. These must reflect a mixture of competition and partnership.

TOWARDS A GLOBAL NEW DEAL

Few would dispute the need to reform global and national financial regulations. The regulations in place prior to the crisis did not provide the financial markets with counter-cyclical buffers during times of a slowdown; the leveraging ability of financial institutions was almost perpetual; accounting standards essential to providing confidence in markets were either utterly ignored, as was the case with tax havens and offshore financial centres, or lagged behind the times. More transparency, tighter international rules pertaining to financial innovation and new financial products, closer monitoring of systematically important institutions or, as some suggest, restrictions on cross-border capital flows when necessary, are just a few examples of the adjustments proposed.

At the same time, the increasing interconnectedness of the global economy underlines the need to focus on more macro-economic coordination involving both states and international institutions. It has become apparent that existing surveillance mechanisms are not sufficient. In addition, financial institutions lack the ability to understand local needs and capacity. Such understanding is necessary to appropriately scrutinize national policies and provide advice based on unbiased assessments of the situation. It has been suggested that policies for sustainable and balanced growth must not only be based on the needs of individual countries, but also be subject to a peer-review mechanism focused on recognizing and preventing potential dangers

to the international system. As former Canadian Prime Minister Martin put it during his speech, the world needs “a new approach to an old concept.” As he suggested, perhaps the world needs “Responsibility to Protect” in finance.

Without question, any readjustments or deeper reforms of the global financial system cannot occur in isolation from the trade world. The decline in trade is causing substantial job losses across the globe: it affects the economic growth of developing countries; it contributes to food shortages in the poorest of nations; and it may restrain the exchange of knowledge, ideas and technologies. Many experts agree that the best place to address these challenges is, still, the negotiating table of the WTO. Reinvigorating the stalled Doha Round is thus another element of the post-crisis puzzle vital to the global economy’s recovery. Not only have we seen a massive decline in international trade flows due to lower demand for goods and services, there are also glimpses of trade protectionism — an even more worrisome sign of a departure from the virtues of free trade that have underpinned the evolution of the global economy for many decades.

On the flip side of globalization, it is becoming more evident that the homogenization of many aspects of the global economy — from financial rules, to institutions, to one-size-fits-all development paths — has brought fragility to the entire global system. Indeed, the challenge here is to find a balance between uniformity for monitoring purposes and enough diversity allowing for the fullest use of local knowledge and talent. As was suggested at the conference, reorganization of the market economy in the service of greater inclusion and opportunity, and redirection of the course of globalization, is a more substantive point for the future.

Though the worst of the crisis is now behind us and the recovery phase seems to be on track, a question remains — where do we go from here? As the conference has shown, given the complexities of the issues, it is difficult (if not impossible) to give a straightforward answer. However, it is clear that the “global new deal” cannot rest solely on technical (prudential rules) or bureaucratic (voting power) adjustments. Future global economic and political leadership must be taken into account. It is clear that implementing the necessary changes will not be possible without a more inclusive decision-making process. Hence, it is essential to recognize the shifting economic power in the world. The rapid transition from the G8 to the G20 as the “premier forum for international economic cooperation” and the hub of wider international cooperation going forward is now a viable option.

The G20 will continue to face issues of legitimacy and efficiency that most international institutions have had to deal with in the past. Questions remain regarding the new group-

ing’s composition. But it is clear that it must provide strong linkages between individual countries or regional groups and the existing international institutions.

Considerable work is still needed for the G20 to be successful and to improve the workings of globalization. There are also many points of disagreement between the members of this new grouping. From voting powers at international organizations, to tax havens, to different approaches to development and governance, collective decision making will not be easy. Notwithstanding the dominance of the US and China, of which the conference participants had no doubt, developing countries (and major emerging economies in particular) are now equal partners at the table. It is vital for economic recovery and future prosperity that the G20 makes a collective effort to concentrate not only on national interests, but also on a shared purpose and vision of the future.

The way forward will no doubt be bumpy, but informed with knowledge of the causes of the crisis, and equipped with new ideas and solutions, the necessary changes in the world’s financial, economic and leadership structures may well lead to a new global order. As Prof. Unger emphasized during his keynote address: “Imagination, imagination to the rescue.”

ACKNOWLEDGEMENTS

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ENDNOTES

1 Baker, Peter, "A Professor and a Banker Bury Old Dogma on Markets" *The New York Times*, September 20, 2008.

2 "The World Economy in the Twentieth Century: Striking Developments and Policy Lessons," *World Economic Outlook*, May 1, 2000.

3 "A special report on the future of finance. Greed — and fear," *The Economist*, Jan. 22, 2009.

4 For example, the slump in developed countries with the oil shocks of the 1970s and the debt crisis in Latin America in the 1980s.

5 This is mainly due to high subsidies in the developed world.

CIGI'09 PARTICIPANTS

For the CIGI'09 participants list, visit:
<http://www.cigionline.org/cigi09>

CONFERENCE AGENDA

FRIDAY, OCTOBER 2, 2009

17:30-18:00 WELCOMING REMARKS

John English, *Executive Director, The Centre for International Governance Innovation*

Jim Balsillie, *Chair of the Board, The Centre for International Governance Innovation*

20:00-21:00 DINNER SPEAKER

Introduction **Tony Clement**, *Minister of Industry, Government of Canada*

Keynote **Jagdish Bhagwati**, *Senior Fellow for International Economics, Council on Foreign Relations*

Vote of Thanks **Jeannine LiChong**, *Vice President and Portfolio Manager, Gluskin Sheff and Associates*

SATURDAY, OCTOBER 3, 2009

9:00-9:15 CONFERENCE CHARGE

Daniel Schwanen, *Deputy Executive Director, Programs, The Centre for International Governance Innovation; CIGI'09 Chair*

9:15-10:15 MORNING SPEAKER

Introduction **Lee Smolin**, *Founding Faculty Member, Perimeter Institute for Theoretical Physics*

Keynote **Roberto Mangabeira Unger**, *Roscoe Pound Professor of Law, Harvard Law School*

Vote of Thanks **David Johnston**, *CIGI IBG; President, University of Waterloo*

10:30-11:30 STRESS-TESTING TRADE AND INVESTMENT RÉGIMES

Chair **John Whalley**, *Distinguished Fellow, The Centre for International Governance Innovation*

Panel **Andrew Rose**, *B.T. Rocca Jr. Professor of International Business in the Economic Analysis and Policy Group, Haas School of Business, University of California, Berkeley*

Pierre Sauvé, *Deputy Managing Director, World Trade Institute*

Craig VanGrasstek, *Adjunct Lecturer in Public Policy, John F. Kennedy School of Government, Harvard University*

11:45-12:45 CRISIS, POVERTY AND FOOD SECURITY

Chair **Maureen O'Neil**, *CIGI IBG; President and CEO, Canadian Health Services Research Foundation*

Panel **Jennifer Clapp**, *CIGI Chair in Global Environmental Governance, Balsillie School of International Affairs*

Jorge Braga de Macedo, *CIGI IBG; President, Tropical Research Institute; Professor at the Faculty of Economics of Nova University, Lisbon; Former Finance Minister, Portugal*

Uma Lele, *Special Advisor to the M.S. Swaminathan Foundation, Chennai, India; Former Senior Advisor, The World Bank*

14:15-15:45 FROM WHERE WILL THE GLOBAL ECONOMIC RECOVERY COME?

Chair **Ngairé Woods**, *CIGI IBG; Director, Global Economic Governance Programme, University of Oxford*

Lead Presenter **Kenneth Rogoff**, *Thomas D. Cabot Professor of Public Policy, Harvard University*

Panel **Alicia García-Herrero**, *Chief Economist for Emerging Markets, BBVA Hong Kong*

Manmohan Agarwal, *Senior Visiting Fellow, The Centre for International Governance Innovation*

Marcel Fortuna Biato, *Policy Advisor, Office of the President of Brazil*

16:00-17:00 **CURRENCIES AND GLOBAL IMBALANCES**
Chair **John Curtis**, *Distinguished Fellow, The Centre for International Governance Innovation*
Panel **Eric Helleiner**, *CIGI Chair in International Economic Governance, Balsillie School of International Affairs*
Paolo Guerrieri, *Vice President, Istituto Affari Internazionali*
Gregory T. Chin, *Senior Fellow, The Centre for International Governance Innovation*

20:00-21:00 **DINNER SPEAKER**
Introduction **Dwight Duncan**, *Minister of Finance, Government of Ontario*
Keynote **Paul Krugman**, *Professor of Economics and International Affairs, Woodrow Wilson School of Public and International Affairs, Princeton University*
Vote of Thanks **John English**, *Executive Director, The Centre for International Governance Innovation*

SUNDAY, OCTOBER 4, 2009

9:30-10:30 **MORNING SPEAKER**
Introduction **Jim Balsillie**, *Chair of the Board, The Centre for International Governance Innovation and Co-CEO of Research In Motion*
Keynote **The Right Honourable Paul Martin**, *Former Prime Minister of Canada*
Vote of Thanks **Paul Heinbecker**, *Distinguished Fellow; The Centre for International Governance Innovation*

10:45-11:45 **DO WE UNDERSTAND SYSTEMIC RISK?**
Chair **John Helliwell**, *CIGI IBG: Co-Director and Arthur J.E. Child Foundation Fellow, Canadian Institute for Advanced Research*
Panel **Thomas Homer-Dixon**, *CIGI Chair of Global Systems, Balsillie School of International Affairs*
Thomas A. Bernes, *Former Director, Independent Evaluation Office (IEO) of the International Monetary Fund (IMF)*
Avinash Persaud, *Founder and Chairman, Intelligence Capital Ltd.*

12:00-13:00 **FUTURE GLOBAL ECONOMIC LEADERSHIP**
Chair **Andrés Rozental**, *CIGI IBG; Chairman of the Board of Trustees of the Mexican Council on Foreign Relations; Non-Resident Senior Fellow, the Brookings Institution*
Panel **Debra Steger**, *CIGI Senior Fellow; Leader of the EDGE Network Projects on Global Economic Governance, EDGE network*
Andrew F. Cooper, *Associate Director and Distinguished Fellow, The Centre for International Governance Innovation*
Paola Subacchi, *Research Director, International Economics, Chatham House*

14:15-15:45 **BUILDING A GLOBAL NEW DEAL: BRAINSTORMING SESSION**
Moderator **Steve Paikin**, *Anchor and Senior Editor, The Agenda*
This session encourages participants to contribute interactively. After two days of discussing cross-cutting themes over the course of the six panels, participants will be asked to deliberate over pre-selected questions in a results-based, media-moderated plenary session. The goal of this session is a dynamic discussion, where participants can voice their opinions and vote on the most pertinent answers.

15:45-16:00 **Closing Remarks**
Daniel Schwanen, *Deputy Executive Director, Programs, The Centre for International Governance Innovation; CIGI'09 Chair*

WHO WE ARE

The Centre for International Governance Innovation is an independent, nonpartisan think tank that addresses international governance challenges. led by a group of experienced practitioners and distinguished academics, CIGI supports research, forms networks, advances policy debate, builds capacity, and generates ideas for multilateral governance improvements. Conducting an active agenda of research, events, and publications, CIGI's interdisciplinary work includes collaboration with policy, business and academic communities around the world.

CIGI conducts in-depth research and engages experts and partners worldwide from its extensive networks to craft policy proposals and recommendations that promote change in international public policy. Current research interests focus on international economic and financial governance both for the long-term and in the wake of the 2008-2009 financial crisis; the role of the G20 and the newly emerging powers in the evolution of global diplomacy; Africa and climate change, and other issues related to food and human security.

CIGI was founded in 2002 by Jim Balsillie, co-CEO of RIM (Research In Motion) and collaborates with and gratefully acknowledges support from a number of strategic partners, in particular the Government of Canada and the Government of Ontario. CIGI gratefully acknowledges the contribution of the Government of Canada to its endowment fund.

Le CIGI a été fondé en 2002 par Jim Balsillie, co-chef de la direction de RIM (Research In Motion). Il collabore avec de nombreux partenaires stratégiques et exprime sa reconnaissance du soutien reçu de ceux-ci, notamment de l'appui reçu du gouvernement du Canada et de celui du gouvernement de l'Ontario. Le CIGI exprime sa reconnaissance envers le gouvernement du Canada pour sa contribution à son Fonds de dotation.



The Centre for International
Governance Innovation

Centre pour l'innovation dans
la gouvernance internationale

57 Erb Street West

Waterloo, Ontario N2L 6C2, Canada

tel +1 519 885 2444 fax +1 519 885 5450

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