

Beyond Bretton Woods: Complementarity and Competition in the International Economic Order

September 15, 2017

Presenter Biographies & Abstracts:

Cornel Ban



Cornel Ban is the author of ten peer-reviewed articles on economic policy strategies in Southern Europe, Eastern Europe and Latin America, professionals and economic policy, the politics of IMF fiscal policy advice and European financial crisis management. His most recent [book](#) was published by Oxford University Press and deals with the local adaptation and crisis resilience of global economic paradigms in Spain and Romania. Dr. Ban also co-edited special issues on the [IMF](#), the [BRICS](#) and shadow banking for leading journals such as *Review of International Political Economy and Governance*. At Boston University he also serves as the co-director of the Global Economic Governance Initiative.

Paper Title: Between Austerity and Countercyclical Lending: The Europe's New Financial Institutions

Since 2013 the Eurozone (albeit not the EU as a whole) has a full-fledged lender of last resort function for sovereigns (European Stability Mechanism) and since 2015 it also acquired a Keynesian face in the form of a countercyclical lending fund (European Fund for Strategic Investments). However, the first function comes at the cost of imposing further pressures for pro-cyclical fiscal policies on countries facing sovereign debt issues while the second has had a patchy record at delivering demand-side support to the countries that needed it the most. Today, Europe finds itself in an interregnum that rediscovers the virtues of development banking for rich countries just as old pro-cyclical institutions push back against change.

Gregory Chin



Dr. Gregory Chin is Associate Professor of Political Economy at York University, Canada. His principal research interests are in the areas of international and comparative political economy, with a focus on China's international financial and monetary affairs, Asian regionalism, the BRICS, and global governance reform. He is currently finishing a book manuscript on Renminbi internationalization.

He is a Non-Resident Senior Fellow of the Foreign Policy Institute (FPI) at The Johns Hopkins University SAIS, where he co-directs the Emerging Global Governance (EGG) project, a joint initiative with the journal *Global Policy*. He is on the International Advisory Board of the journal *Review of International Political Economy*, and on the Editorial Board of the journal *Global Governance*. Prior to joining York University,

Gregory Chin was First Secretary (Development) at the Canadian Embassy in Beijing (2003 to 2006), and from 2000 to 2003, he served in Canada's Department of Foreign Affairs and International Trade, and the Canadian International Development Agency.

Paper Title: Development Finance with China's Characteristics (with Kevin Gallagher)

China has emerged over the last two decades as a leading global source of development finance. Although some Chinese development finance is comparable to that of previous rising powers which was directed to building international commodity supply chains and international production networks, China's development finance is unprecedented and distinct in terms of its volume and geographical spread, the cohesion between state-corporate market action, and the utilization of state finance for risk-taking and risk-management. China is also unprecedented in advancing a 'consortia' approach to development finance, where groupings of financiers are brought together on a project in a developing country, in order to connect various lines of financing, including grants, no-interest, concessional, semi-concessional, and commercial loans, direct investment, and trade finance, with the goal of maximizing developmental impact. The scope and scale of China's development finance poses an existential challenge to the DAC foreign aid regime of the OECD capital providers (centered on the ODA reporting system), and is driving DAC members to reconsider their basic concepts of development finance. In the face of the challenge to the normative underpinnings of the OECD-DAC regime, traditional donor governments are having to consider whether some degree of mutual accommodation is possible within the Bretton Woods order, or whether Chinese development finance can only be a challenge to the order.

Barbara Fritz



Barbara Fritz holds a joint appointment as professor at the Institute for Latin American Studies and the School of Business & Economics at the Freie Universität Berlin. Her fields of expertise are development economics and international macroeconomics, money and finance, with a special focus on Latin America, especially Brazil. She has published widely on economic development strategies, regional monetary cooperation, migration and remittances, and on the interdependence between macroeconomic and social policies.

Paper Title: The Role of Regional Financial Arrangements within the Global Financial Safety Net

The global financial safety net provides backstop during times of financial crises. Its elements underwent fundamental changes since the global financial crisis. Beyond relevant changes with IMF liquidity provision at the global level, new regional financial arrangements (RFAs) were created, and bilateral swap agreements emerged as a new element. In this paper, we ask how these changes influence the use of the different safety net options, and what role RFAs have in the safety net today. We analyze especially the role of the Arab Monetary Fund and the Eurasian Fund for Stabilization and Development (EFSD, before known as the EURASEC Anti-Crisis Fund) within this global safety net. We created a database with all the cases in which a RFA member drew on one of the elements of the global safety net. This allows us to analyze which other options the country had at hand, and to examine their use along the institutional design in terms of timeliness, volume, and policy conditionality. We find today's global financial safety net to be not a global, but a geographically and structurally scattered net. RFAs, including the AMF and the EFSD, make the safety net safer only for very small member countries. The two cases also demonstrate that intra-regional asymmetries of regional liquidity funds seem to play a contradictory role: while participation of bigger economies is fundamental to leverage liquidity provision, at the same time it may create difficulties for the governance of the regional body.

Kevin P. Gallagher



Dr. Kevin P. Gallagher is a professor of global development policy at the Frederick S. Pardee School of Global Studies and the director of the Global Development Policy Center (GDPC). The mission of the GDPC is to advance policy-oriented research for financial stability, human wellbeing, and environmental sustainability.

Dr. Gallagher is the author of *The China Triangle: Latin America's China Boom and the Fate of the Washington Consensus*, *Ruling Capital: Emerging Markets and the Reregulation of Cross-border Finance*, *The Dragon in the Room: China and the Future of Latin American Industrialization* (with Roberto Porzecanski), *The Enclave Economy: Foreign Investment and Sustainable Development in Mexico's Silicon Valley*, and *Free Trade and the Environment: Mexico, NAFTA, and Beyond*.

Dr. Gallagher served on the U.S. Department of State's Investment Subcommittee of the Advisory Committee on International Economic Policy and the International Investment Division of the United Nations Conference on Trade and Development. He has served as a visiting or adjunct professor at the Paul Nitze School for Advanced International Studies at Johns Hopkins University, the Fletcher School of Law and Diplomacy, Tufts University; El Colegio de Mexico in Mexico; Tsinghua University in China; and the Center for State and Society in Argentina.

He has a B.A. from Northeastern University, Boston, and a M.A. and Ph.D. from Tufts University. Dr. Gallagher is co-editor of the *Review of International Political Economy* and writes regular columns in *The Financial Times* and *The Guardian*.

Paper Title: Development Finance with China's Characteristics (with Gregory Chin)

China has emerged over the last two decades as a leading global source of development finance. Although some Chinese development finance is comparable to that of previous rising powers which was directed to building international commodity supply chains and international production networks, China's development finance is unprecedented and distinct in terms of its volume and geographical spread, the cohesion between state-corporate market action, and the utilization of state finance for risk-taking and risk-management. China is also unprecedented in advancing a 'consortia' approach to development finance, where groupings of financiers are brought together on a project in a developing country, in order to connect various lines of financing, including grants, no-interest, concessional, semi-concessional, and commercial loans, direct investment, and trade finance, with the goal of maximizing developmental impact. The scope and scale of China's development finance poses an existential challenge to the DAC foreign aid regime of the OECD capital providers (centered on the ODA reporting system), and is driving DAC members to reconsider their basic concepts of development finance. In the face of the challenge to the normative underpinnings of the OECD-DAC regime, traditional donor governments are having to consider whether some degree of mutual accommodation is possible within the Bretton Woods order, or whether Chinese development finance can only be a challenge to the order.

Ilene Grabel



Ilene Grabel is Professor of International Finance and co-director of the graduate program in Global Finance, Trade, and Economic Integration at the Josef Korbel School of International Studies at the University of Denver (USA). She has worked as a consultant to the International Poverty Centre for Inclusive Growth of the United Nations Development Programme (UNDP), United Nations Conference on Trade and Development /G-24, United Nations University/World Institute for Development Economics Research, and UNDP's Human Development Report Office. Grabel has also been a consultant to Action Aid, to the coalition "New Rules for Global Finance," was

an Expert Advisor to the Third World Network project on capital controls and free trade agreements; is a member of the Task Force on Regulating Global Capital Flows for Long-Run Development (of the Pardee Center for the Study of the Longer-range Future, Boston University), has been a member since 2013 of the Scientific Advisory Board of the Group of the Progressive Alliance of the European Parliament, and since 1987 has been a staff economist with the Center for Popular Economics. She served as a co-editor of the *Review of International Political Economy* from 2013-2017. Grabel has published widely on financial policy and crises, developmental financial architectures, international financial institutions, and international capital flows. Her research has been published in *Economía Informa*, *Cambridge Journal of Economics*, *World Development*, *Journal of Development Studies*, *Review of Social Economy*, *Journal of Post-Keynesian Economics*, *Feminist Economics*, *Review of International Political Economy*, *International Review of Applied Economics*, *International Journal of Political Economy*, *Review of Radical Political Economics*, *Eastern Economics Journal*, and the *Journal of Economic Issues*. Grabel's 2004 book (Zed Books, with Ha-Joon Chang), *Reclaiming Development*, was reissued in 2014, and has been translated into Korean, Turkish, Spanish, Portuguese, Tamil, Malayalam and Bahasa/Indonesian. Grabel's book, *When Things Don't Fall Apart: Global Financial Governance and Developmental Finance*

In an Age of Productive Incoherence, is forthcoming with MIT Press (December 2017).

Paper Title: A Hirschmanian Perspective on Productive Incoherence, Productive Redundancy, and the Evolving Financial Governance Architecture

I advance three claims in the paper. The first claim is positive. The Asian and especially the global financial crisis occasioned meaningful though disconnected, ad hoc, and experimental discontinuities in several dimensions of the financial governance architecture and developmental finance of particular salience to emerging market and developing economies (EMDEs). Non-trivial continuities are also readily apparent. The second claim is normative. The conjunction of discontinuities and continuities is imparting incoherence to the financial governance architecture and developmental finance, but this incoherence is productive rather than debilitating. Emergent "productive incoherence" is beneficial for EMDEs because it is creating a more complex, dense, fragmented, and pluri-polar direction in the financial governance architecture, and consequently expanding dramatically the possibilities for policy and institutional experimentation, policy space for economic and human development, financial stability and resilience in the face of disturbances, and financial inclusion. Emergent redundancy and networks of cooperation among institutions increase resilience and anti-fragility. The third claim is that the insight about productive incoherence can be understood most fully within a "Hirschmanian mindset," i.e., an understanding of social and regime change informed by Albert O. Hirschman's key theoretical and epistemic commitments. The Hirschmanian vision that informs the paper recognizes that meaningful change can and should come about through proliferation of partial, limited, and pragmatic adjustments in institutions and practices as actors pragmatically manage in an evolving world.

William W. Grimes



William W. Grimes is Associate Dean for Academic Affairs and Professor of International Relations & Political Science at the Frederick S. Pardee School of Global Studies at Boston University. He is the author of *Unmaking the Japanese Miracle: Macroeconomic Politics, 1985-2000* (Cornell University Press, 2001) and *Currency and Contest in East Asia: The Great Power Politics of Financial Regionalism* (Cornell University Press, 2009). *Currency and Contest in East Asia* was awarded the 2010 Masayoshi Ohira Prize for outstanding book on the Pacific Basin and received an Honorable Mention in the competition for the Asia Society's Bernard Schwartz Book Award in 2009. He has also published articles, book chapters, monographs, and commentary on East Asian financial regionalism,

the impacts of financial globalization in Japan, Japanese monetary policy making, US-Japan relations, and related topics. His current research focuses regional financial cooperation and infrastructure aid in East Asia.

Paper Title: Leaving the Nest: The Rise of Regional Financial Arrangements and the Future of Global Governance (with William Kring)

In this paper, we examine the impact of regional financial arrangements (RFAs) on the global liquidity regime. We argue that the design of RFAs carries the potential to significantly alter the global regime, whether by strengthening it and making it more coherent or by decentering the IMF and destabilizing the regime. We deploy a 'middle-up' approach that focuses on the institutional design of these RFAs, following a two-part analysis. We first draw on the rational design of institutions framework to identify the internal characteristics of RFAs that are most relevant to their capabilities and capacities. We then apply these insights to the RFAs' relations with the IMF, building on Aggarwal's (1998) conception of "nested" versus "parallel" institutions to create an analytical lens through which to assess the nature and sustainability of nested linkages. Through an analysis of the Chiang Mai Initiative Multilateralization (CMIM) and the Latin American Reserve Fund (FLAR), we demonstrate the usefulness of this lens. Our analysis also delineates three circumstances in which fault lines created by these RFAs' institutional design could be 'activated,' permitting an institution to 'leave the nest,' including changing intentions of the principals, creation of parallel capabilities and facilities, and failure of the global regime to address regional needs in a crisis.

Eric Helleiner



Eric Helleiner is Professor in the Department of Political Science and Balsillie School of International Affairs at the University of Waterloo. His most recent books include *Forgotten Foundations of Bretton Woods* (2014), *The Status Quo Crisis: Global Financial Governance after the 2008 Meltdown* (2014) and (as co-editor) *The Great Wall of Money: Power and Politics in China's International Monetary Relations* (2014). He is also presently co-editor with Jonathan Kirshner of the book series *Cornell Studies in Money*.

Paper Title: Chinese and Latin American Origins of Multilateral Financial Institutions

Recent initiatives of China and other emerging powers to create new multilateral financial institutions (MFIs) are often seen as efforts to build upon and/or challenge an idea pioneered in the West. Although Western governments played a major role in creating the Bretton Woods institutions, thinkers from China and Latin America also advanced significant and influential ideas about MFIs both during and before the Bretton Woods negotiations. These early non-Western MFI proposals were developed by thinkers who sought external finance for their ambitious domestic economic development goals. Critical of past experiences with foreign private lending and investment, they saw MFIs as mechanisms for mobilizing foreign capital that would be more respectful of national sovereignty and of local aspirations to raise living standards. Chinese and Latin American thinkers also saw MFIs as institutions that might give their countries a more prominent role in global financial governance and might help protect their policy autonomy and state-led development goals by facilitating debt restructuring, the use of capital controls, and a more equitable distribution of adjustment burdens between creditor and debtor countries. Recent Chinese and Latin American initiatives echo some of these past ideas and can be seen as efforts that build – although not always self-consciously - on these local intellectual traditions rather than just responding to Western ones.

Randall Henning



C. Randall Henning is Professor of International Economic Relations at the [School of International Service at American University](#) (since 1995) in Washington, D.C. He specializes in international and comparative political economy, global governance and regional integration. He has focused recently on the International Monetary Fund, Europe's monetary union, regional financial arrangements, fiscal federalism, and economic conflict and cooperation in the Group of Twenty. His previous appointments include service as Visiting Fellow at the Peterson Institute for International Economics. Currently, he is conducting projects on the fragmentation of global financial governance and the interaction among regional and multilateral economic institutions.

Dr. Henning's most recent book is ***Tangled Governance: International Regime Complexity, the Troika, and the Euro Crisis*** (Oxford, 2017). He is also author, co-author or editor of ***Global Financial Governance Confronts the Rising Powers*** (with Andrew Walter; CIGI, 2016), ***Global Economics in Extraordinary Times*** (Peterson Institute, 2012), ***Fiscal Federalism: US History for Architects of Europe's Fiscal Union*** (Bruegel, 2012), ***Governing the World's Money*** (Cornell, 2002), ***Transatlantic Perspectives on the Euro*** (with Pier Carlo Padoan; Brookings 2000), and ***Currencies and Politics in the United States, Germany and Japan*** (Peterson Institute, 1994), among other books. He has also published articles in *International Organization*, *Review of International Political Economy*, *Journal of Common Market Studies*, *Global Policy*, and *The World Economy*, as well as a number of chapters in edited volumes. (See Publications for a more complete list.)

Prof. Henning teaches *Economic Policies of the European Union* (SIS 630), *International Financial Relations* (SIS 666), *International Political Economy* (SIS 751 and SISU 220). He has written several cases for teaching and has edited a series of cases on Transatlantic Economic Relations.

Among other activities, he organized the macroeconomic and financial team of the CIGI INET Project on New Thinking and the New G20, has testified to several congressional committees, and served as the European Community Studies Association Distinguished Scholar, SIS Faculty President and member of the Fellowship Selection Committee of the German Marshall Fund. He is a member of the American Political Science Association, International Studies Association, European Union Studies Association, Council of European Studies and Bretton Woods Committee.

Dr. Henning holds a B.A. degree from Stanford University (1978) and M.A.L.D. and Ph.D. degrees from The Fletcher School of Law and Diplomacy at Tufts University (1985).

Paper Title: Regime Complexity as a Framework for Analyzing Complementarity and Competition among Regional and Multilateral Financial Institutions

International institutions have proliferated within the issue areas of development finance and crisis finance. International regime complexity offers a useful lens through which to analyze the sources and consequences of these trends, and to offer normative guidelines for organizing clusters of institutions as they emerge. This paper highlights the promise of this analytical approach to the understanding of the origins of new institutions, which potentially challenge existing global multilateral regimes, and their interaction with the institutions inherited from the international economic order dominated by the advanced economies. Drawing on the author's recent analysis of regime complexity in the financial rescue programs for countries that succumbed to the euro crisis, it identifies concepts, findings and hypotheses that can be tested by and applied to other regions, offering a number of potentially fruitful cases.

Chris Humphrey



Dr. Chris Humphrey is a senior scientist at the Swiss Federal Institute of Technology (ETH), Center for Development and Cooperation (NADEL), and is a research associate at the University of Zurich and Overseas Development Institute (ODI). His research focuses on the evolution of development finance, and in particular, the changing role of multilateral development banks. Apart from research and teaching, Dr. Humphrey regularly consults on development finance issues for the African Development Bank, Inter-American Development Bank, New Development Bank, Inter-Governmental Group of 24, Global Green Growth Institute and Canadian, Swiss, Swedish and British governments, among others. He previously worked in operations at the World Bank (2001-2008), and prior to that as a journalist in Mexico City (1995-2000). Dr. Humphrey completed his doctoral studies at the London School of Economics and has a master's degree from Johns Hopkins School of Advanced International Studies. He currently lives in Zurich, Switzerland.

Paper Title: “Minilateral” Development Banks: What the Rise of Africa’s Trade and Development Bank (TDB) Says About Multilateral Governance

Multilateral development banks (MDBs) are one of the most popular forms of international organization, with at least 28 operating in the world today. Although the attention of most academics and policy makers has focused on the World Bank and major regional MDBs, in fact most MDBs are relatively small, and controlled by developing as opposed to industrialized countries. How does the differing governance arrangements of these “minilateral” development banks (MnDBs) impact their operations? This paper takes the Trade and Development Bank, a small MDB in Africa with 21 country shareholders, as a case study to consider this question. Based on a close analysis of its track record since 2005 and interviews with management and shareholders, the paper finds that borrower-led governance leads to substantial disadvantages in terms of access to finance, due to mistrust by capital markets. This, in turn, hampers TDB’s ability to provide development finance to borrowers at reasonable terms. At the same time, borrower-led governance permits TDB and other MnDBs much greater operational flexibility, which partially compensates for this financial disadvantage in terms of providing useful services to borrowers. These findings suggest that MnDBs have substantial latent potential, and in an increasingly multipolar world are likely to grow in developmental relevance in coming years.

Rohini Kamal



Rohini Kamal is a pre-Doctoral Fellow at GEGI. Her research focuses on the political economy of climate change touching upon environmental and economic development concerns in the Global South, with a particular focus on Asia. Rohini will investigate the environmental and distributional impacts of investments in energy, infrastructure and other development projects made by Chinese institutions and other key regional/global banks and development institutions. Prior to her doctoral studies, Rohini has worked at Brac Development Institute in Dhaka, Bangladesh on development and at Urban Climate Change Research Network, a project under NASA/GISS and the Earth Institute, on using climate information for urban policy.

Paper Title: Southern Multilateralism and Development Finance: An Analysis of the Representativeness and Performance of the Development Bank of Latin America and the Islamic Development Bank (with Rebecca Ray)

Southern-led multilateral development banks (MDBs), including the Development Bank of Latin America (CAF) and the Islamic Development Bank (IsDB), have become crucial **drivers of infrastructure growth** and important venues for the **voices of developing countries** in **shaping regional development priorities**. In this paper, we attempt to answer whether these two institutions' performance has lived up to their original goals of maintaining **borrower control over bank governance** – in contrast with the traditional North American European dominance of Bretton-Woods institutions – without sacrificing the **financial dynamism** necessary to finance their borrowers' needs, especially in the sector of **infrastructure**.

We calculate Banzhaf power-weighted voting indices for member representation on bank boards, to determine the extent to which CAF and the IsDB exhibit more **representative governance** approaches than their northern-based counterparts: the Inter-American Development Bank (IADB) and the World Bank International Bank for Reconstruction and Development (IBRD). Secondly, we analyze bank operations to determine whether their governance structure impacts their (i) **internal performance** (as reflected on balance sheets) and (ii) **external performance** (in their ability to **gain relevance** in the burgeoning sector of **sustainable** (climate-resilient) infrastructure).

William N. Kring



William N. Kring is the Assistant Director of the Global Development Policy Center, a university-wide center housed at the Frederick S. Pardee School for Global Studies. He previously was the Assistant Director and Research Fellow at the Global Economic Governance Initiative (GEGI). Bill is also a PhD Candidate at Brown University, where his dissertation project focuses on the implications of the rise of alternative liquidity mechanisms for the global financial order. Bill received a M.A. in Political Science from Brown University in 2015, where he was awarded the Honorable W. Randolph Burgess Fellowship for the 2013-2014 academic year. He also holds an M.A. in International Affairs (2013) and a B.A. in International Relations (2011) from the Frederick S. Pardee School for Global Studies Boston University.

Paper Title: Leaving the Nest: The Rise of Regional Financial Arrangements and the Future of Global Governance (With William Grimes)

In this paper, we examine the impact of regional financial arrangements (RFAs) on the global liquidity regime. We argue that the design of RFAs carries the potential to significantly alter the global regime, whether by strengthening it and making it more coherent or by decentering the IMF and destabilizing the regime. We deploy a 'middle-up' approach that focuses on the institutional design of these RFAs, following a two-part analysis. We first draw on the rational design of institutions framework to identify the internal characteristics of RFAs that are most relevant to their capabilities and capacities. We then apply these insights to the RFAs' relations with the IMF, building on Aggarwal's (1998) conception of "nested" versus "parallel" institutions to create an analytical lens through which to assess the nature and sustainability of nested linkages. Through an analysis of the Chiang Mai Initiative Multilateralization (CMIM) and the Latin American Reserve Fund (FLAR), we demonstrate the usefulness of this lens. Our analysis also delineates three circumstances in which fault lines created by these RFAs' institutional design could be 'activated,' permitting an institution to 'leave the nest,' including changing intentions of the principals, creation of parallel capabilities and facilities, and failure of the global regime to address regional needs in a crisis.

Daniel McDowell



Daniel McDowell is an assistant professor of political science at the Maxwell School of Citizenship and Public Affairs of Syracuse University. His research focuses on the politics of international finance, financial crises, and the international monetary system with an emphasis on the role of the United States, the International Monetary Fund, and the rise of China in these arenas. He is the author of *Brother, Can you Spare a Billion? The United States, the IMF, and the International Lender of Last Resort* (Oxford University Press 2016). His work has also appeared in *International Studies Quarterly*, *Review of International Organizations*, *New Political Economy* and *Journal of Contemporary China*. His commentary on the international financial and monetary systems has appeared in *The Washington Post*, *Foreign Policy*, *World Politics Review*, *The Christian Science Monitor*, and *The Washington Times*.

Paper Title: The (Ineffective) Financial Statecraft of China's Bilateral Swap Agreements

Since 2008, the People's Bank of China (PBOC) has signed bilateral swap agreements (BSAs) with 35 foreign central banks. Collectively, these deals make nearly \$500 billion in Chinese renminbi (RMB) available to Beijing's foreign partners. What has led China to be so aggressive in its efforts to sign these swap agreements? What are the political economic implications of the swap program for the U.S.-centric global economic order? China's BSAs can be understood as a form of financial statecraft: The use of national financial and monetary capabilities to achieve foreign policy ends. China has deployed BSAs for both defensive and offensive reasons. Defensively, Beijing has sought to use BSAs to promote trade settlement in RMB thereby reducing its vulnerability to the dollar's structural dominance in trade. Yet, as I show, they have been ineffective in this regard. Offensively, Beijing has used BSAs as a short-term liquidity backstop outside of the Bretton Woods institutions for select partner countries in need. Here, there is greater potential for BSAs to impact the status quo economic order by enhancing Chinese economic influence. However, their potential is dependent on Beijing's willingness to act as a unilateral crisis lender and its ability to further internationalize the RMB.

Perry Mehrling



Perry Mehrling is Professor of Economics at Barnard College, Columbia University, where he teaches courses on the economics of money and banking, the history of money and finance, and international money, the first of these available online at www.coursera.org/learn/money-banking thanks to support from INET. His most recent book is The New Lombard Street: How the Fed became the dealer of last resort (Princeton 2011). Recent papers and video are available on his website perrymehrling.com, "one stop shopping for all things 'money view'".

Lecture Title: Financialization and its Discontents

Rebecca Ray



Rebecca Ray is a Pre-Doctoral Fellow at GEGI, and a PhD student in economics at the University of Massachusetts – Amherst. She holds an MA in International Development at the George Washington University. Prior to joining GEGI, she worked as a research associate at the Center for Economic and Policy Research. She has conducted academic fieldwork in Ecuador, Nicaragua, and Canada.

Paper Title: Southern Multilateralism and Development Finance: An Analysis of the Representativeness and Performance of the Development Bank of Latin America and the Islamic Development Bank (with Rohini Kamal)

Southern-led multilateral development banks (MDBs), including the Development Bank of Latin America (CAF) and the Islamic Development Bank (IsDB), have become crucial **drivers of infrastructure growth** and important venues for the **voices of developing countries in shaping regional development priorities**. In this paper, we attempt to answer whether these two institutions' performance has lived up to their original goals of maintaining **borrower control over bank governance** – in contrast with the traditional North American European dominance of Bretton-Woods institutions – without sacrificing the **financial dynamism** necessary to finance their borrowers' needs, especially in the sector of **infrastructure**.

We calculate Banzhaf power-weighted voting indices for member representation on bank boards, to determine the extent to which CAF and the IsDB exhibit more **representative governance** approaches than their northern-based counterparts: the Inter-American Development Bank (IADB) and the World Bank International Bank for Reconstruction and Development (IBRD). Secondly, we analyze bank operations to determine whether their governance structure impacts their (i) **internal performance** (as reflected on balance sheets) and (ii) **external performance** (in their ability to **gain relevance** in the burgeoning sector of **sustainable** (climate-resilient) infrastructure).

Jazmin Sierra



Jazmin Sierra is an Assistant Professor in the Department of Political Science at the University of Notre Dame. She studies comparative and international political economy with a regional focus in Latin America. Jazmin's research interests include development finance, global production and innovation, state-business relations, and energy politics. Her research agenda examines the emergence of what she terms 'globalized state capitalism,' a mode of state intervention whereby governments promote the outward investments of domestic firms. Jazmin received funding for this project from the Social Science Research Council (IDRF-SSRC) and published parts of it in *Comparative Political Studies* and *International Studies Quarterly*. She earned a Ph.D in Political Science from Brown University and a B.A. in

International Studies from Universidad Torcuato Di Tella.

Paper Title: Globalized National Development Banks: Between National Mandates and International Portfolios

A largely overlooked aspect of development finance is the foreign expansion of national development banks. This manuscript seeks to address this gap in the literature by providing a conceptual framework that allows us to

contrast the 'globalized' national development bank with the traditional Bretton Woods institutions. Additionally, it explores the conditions for the emergence of globalized national development banks emphasizing the role of policy-makers ideas regarding outward foreign direct investments and discusses the impact this new form of international organization may have on the Bretton Woods system.

Hongying Wang



Hongying Wang is associate professor of political science at the University of Waterloo and senior fellow at the Center for International Governance Innovation in Canada. She studies Chinese politics and foreign policy as well as international political economy. She has written many journal articles and policy papers in these areas. Her current research focuses on the role of emerging powers, including China, in global economic governance. She has recently co-edited *Enter the Dragon: China in the International Financial System* (2015).

Paper Title: Two Banks and a Split Personality: NDB, the AIIB and China

The New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB) are two newly created multilateral development banks (MDBs) that have attracted world-wide attention. Many observers see them as manifestations of the rising power of the emerging economies – especially China – and as potential challengers of the traditional MDBs. This paper takes a more nuanced view of the two banks. It shows that these new financial institutions are not as revolutionary as they have been portrayed. It also shows that contrary to widely shared impressions, the NDB and the AIIB are quite different from each other. In fact, they reflect characteristics of two distinctive traditions of MDBs – the mainstream tradition of MDBs dominated by donor countries and the alternative tradition of MDBs controlled by borrower countries. China's prominent role in these two banks reflects its ambiguous identity vis-à-vis the existing international economic order – as a part-insider and part-outsider.