

# Policy Responses to Unfettered Finance

A North-South Institute Project

Second Workshop on 'Impact and Responses to the Crisis in Low Income Countries'

"Salle Rhin" - International Environment House 2 - 9, Chemin de Balexert, 1219 Châtelaine -  
Geneva , on June 8<sup>th</sup> and 9<sup>th</sup>, 2009

## AGENDA

### Day 1

**June 8, Geneva**

8:30            **Breakfast**

9:00            **1. Welcome and introduction to the project (20mins)**

**Roy Culpeper, North South Institute**

Recap and debrief on NYC

Expectation of the meeting

9:20            **2. Towards an Alternative Vision/Charter for Sustainable Economic Activity (30mins)**

**Robert H. Wade, London School of Economics**

Is the 'Washington Consensus' dead? Do we need a new consensus? What does this mean for LICs?

Conceptualizing a financial system that places developing, emerging and low income countries at the center, and whose purpose is inclusive and sustainable development

9:50            **Discussion moderated by Elizabeth Marsh (Commonwealth Foundation)**

The Washington Consensus maybe dead, but are we presented with viable alternatives (by the G20 or others)?

10:20           **Coffee Break**

**3. Contextualizing crisis impacts and diagnosis from LIC perspective**

10:35           **3.1 Transmission Channels-I (20mins)**

**Charles Gore (UNCTAD)**

Impact of trade and trade finance contraction (commodity prices, goods/services contraction)

Capital flow reversals – bank lending, private flows (inc. FDI, equity, debt), ODA, remittances

Exchange rate, reserve position, debt sustainability, deflation/inflation (other macroeconomic)

- 10:55 **3.2 Transmission Channels-II (20mins)**  
**World Bank perspective on LIC crisis impact, trajectory and monitoring**  
**Richard Newfarmer, World Bank**  
 Trade linkages of crisis  
 Protectionism  
 World Bank perspective on crisis impact, trajectory and monitoring  
 Bank responses (e.g. IDA fast-track status)
- 11:15 **Discussant and Chair: Willem Van Der Geest (International Trade Centre)**  
 11:25 **10mins**
- Key questions**  
 What are the key transmission channels? What effect is/will protectionism have on LIC?  
 Has excessive liberalization (trade and financial sector) increased LIC vulnerability to crisis?  
 To what extent can regional trade and region solutions, help counter downturn in North – South trade? Impact of stimulus in advanced and large emerging economies (e.g. China) on LIC prospects?
- 12:30 **Lunch**
- 4. Assessment of responses, reform proposals and processes**
- 13:30 **4.1 Country/regional level responses – I (cross-cutting issues) (20mins)**  
**Cyrus Rustomjee, Commonwealth Secretariat**  
 State of debate re G20/UN processes and proposals  
 Capital flight, asset recovery and other cross-cutting issues
- 13:50 **4.2 Country/regional level responses – II**  
**Hon. Raymond Tawiah, Member of Parliament, Ghana (20mins)**  
 Crisis impact on Ghana  
 Monetary, fiscal policy; social protection responses  
 Interaction with regional development banks, World Bank, Fund
- 14:10 **Discussant and Chair: Thandika Mkandawire,**  
 14:20 **London School of Economics (10mins)**
- Can the development architecture act as countercyclical source of finance during downturns? What changes are needed?  
 What reform proposals are on the table that highlight LIC priorities?  
 What sorts of response measures are needed at the country level?  
 How can countries respond to cross-cutting issues like capital flight and the need to strengthen domestic institutions?



What strategies might work to get a better development footprint in ongoing regulatory reform discussions?

What would global finance governed in a way that serves the needs of the wider real economy (rather than the other way round) look like? And how should it be governed?

10:35 **Discussant and Chair: Roy Culpeper**  
10:45 **10mins**

12:30 **Lunch**

**[Session on upcoming UN Conference on Global Economic Crisis (1hr)  
John Foster (NSI), Hamish Jenkins (UN-NGLS), Aldo Caliarì, Bhumika Machhala (TWN)]**

13:30 **3.1 Civil society perspectives from LIC context (20mins)**  
**Ingrid Srinath, CIVICUS**

13:50 **3.2 Private sector perspectives (20mins)**  
**Richard Samans, Center for American Progress/World Economic Forum**

14:10 **Discussant and Chair: John Foster**  
14:20 **(10mins)**  
Discussion points raised by presentations

15:15 **Coffee break**

15:30 **4. Back to statement on 'Sustainable Economic Activity' (20mins)**  
**Robert Wade**  
Points to be emphasized

15:50 **Closing Remarks**  
**Roy Culpeper**  
Follow-up, Outputs and timelines