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**GLAWCAL
COMMENT #181**

The Evolution of Global Economic Governance: From the Basics to the Complexity

Based on

Kern Alexander

“Global economic governance and banking regulation: redesigning regulation to promote stakeholder interests”



gLAWcal
Global Law Initiatives for Sustainable Development

A gLAWcal comment on Kern Alexander "Global economic governance and banking regulation: redesigning regulation to promote stakeholder interests" in Antonio Segura Serrano (Ed.) "The Reform of International Economic Governance".

of more effective and targeted rules. Even though it is probable that the rule-making will become gradually more formalized in the future, which is of vital importance from the perspective of transparency and predictability, the system should retain its ability to adopt effective and targeted rules. This flexibility is indispensable when the world wants to prevent another major economic downturn.

The chapter "Global Economic Governance and Banking Regulation: Redesigning Regulation to Promote Stakeholder Interests" in the book "The Reform of International Economic Governance" edited by Antonio Segura Serrano discusses - among other things - the evolution of global economic governance and its legitimacy. The central banks and financial institutions in major industrialized nations recognized the need to coordinate their approaches concerning their bank policies and mutual lending already in 1960s. This cooperation developed over times and as it was confronted with major challenges in the world economy, it gradually became more institutionalized, most notably in the form of the Basel Committee on Banking Regulation, the Committee on Payment and Settlement Systems and the Committee on the Global Financial System. Hand in hand with the institutionalization went also the standard-setting. However, as the system evolved, the question of its legitimacy was raised repeatedly. The mechanisms of cooperation between financial institutions and central banks lack the attributes of international organization. There are pros and cons to this state-of-affairs. On the one hand, the lack of formalized rules might be seen as a negative sign and be rightly criticized due to the lack of transparency and predictability. On the other hand, the same deficiency might be seen also as an asset from a certain perspective: the fact that rule-making is not limited by certain formalized restraints opens also the room for the adoption

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The gLAWcal comments are insight and short analytical pieces written by the gLAWcal team. The gLAWcal comments are based on, and inspired by, the books and chapters published within one of the [gLAWcal book series](#) published by Routledge Publishing (New York/London).

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To collaborate with Government, Civil society and business community to balance the excess of globalization with Non Trade Concerns.



OUR GOALS

To influence policymakers, to raise awareness over Non Trade Concerns, to encourage stakeholder participation, and to disseminate gLAWcal's publication results.

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