



For a Just Transition

What is his point?

- The multilateral system stemming from the UN Charter and the United Nations Monetary and Financial Conference is breaking down.
- The system's social foundations were eventually replaced with the globalization of capital as an ends rather than a means to achieve social goals.
- Time for a new multilateralism that puts the SDGs and a just transition as the core goals of the system and deliver as one.

Foundations of 20th Century Multilateralism: Embedded Liberalism

- Pursuit of full employment
- New Deal ethic of rights, bargaining, justice
- Anti-colonial and imperialist
- Finance national, trade globalized
- Prosperity will bring peace

The Kindleberger Five: and the Post-War order

1. Relatively stable exchange rate system
2. Lender of Last Resort
3. Long term counter-cyclical lending
4. Maintaining open markets in recessions
5. Ensuring macroeconomic coordination

United Nations Monetary and Financial Conference:

and the international economic order



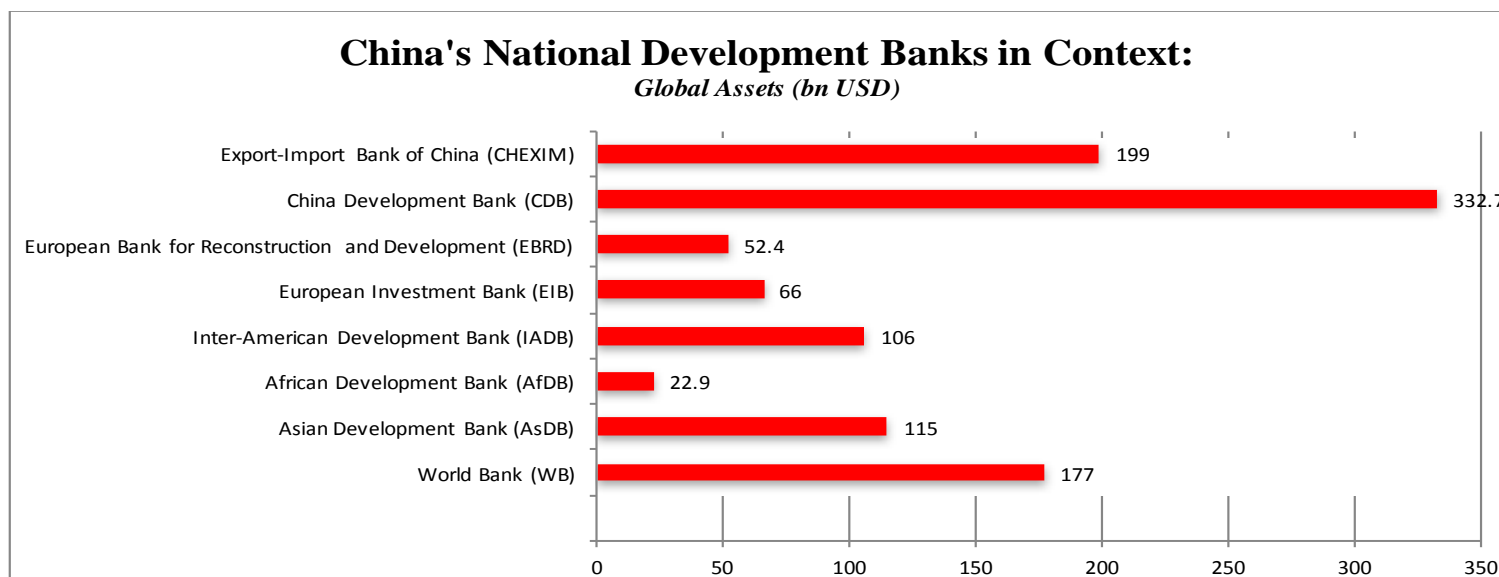
State of the Monetary System

- **Dollar bias:** dollar dominated world requires EMDs to constantly adjust to US monetary policy
- **Inequity:** EMDs have to sell local currency and buy USD in order to avoid excessive exchange rate appreciation and asset bubbles—***major transfer of wealth from S to N.***
- **Governance bias:** lack of voice and representation in IMF/GFSN; lack of resources relative to size of system
- **Contractionary bias:** EMDs forced to adopt procyclical adjustment policies that are unfair and drag global growth.

State of the Development Banking System



国家开发银行
CHINA DEVELOPMENT BANK



- **Poor performance:** impact on growth and development very mixed

State of the Trade and Investment System

- **Large economy bias:** large economies leverage their market power to create rules in their interest
- **Financial and corporate interest bias:** Rules favor firms and financial interests today over consumers, households, and employees
- **Mission creep:** has moved beyond goods to financial flows, banking, intellectual property and beyond.
- **Governance bias:** asymmetric bargaining power; increasing shift toward 'investor-state-dispute systems'

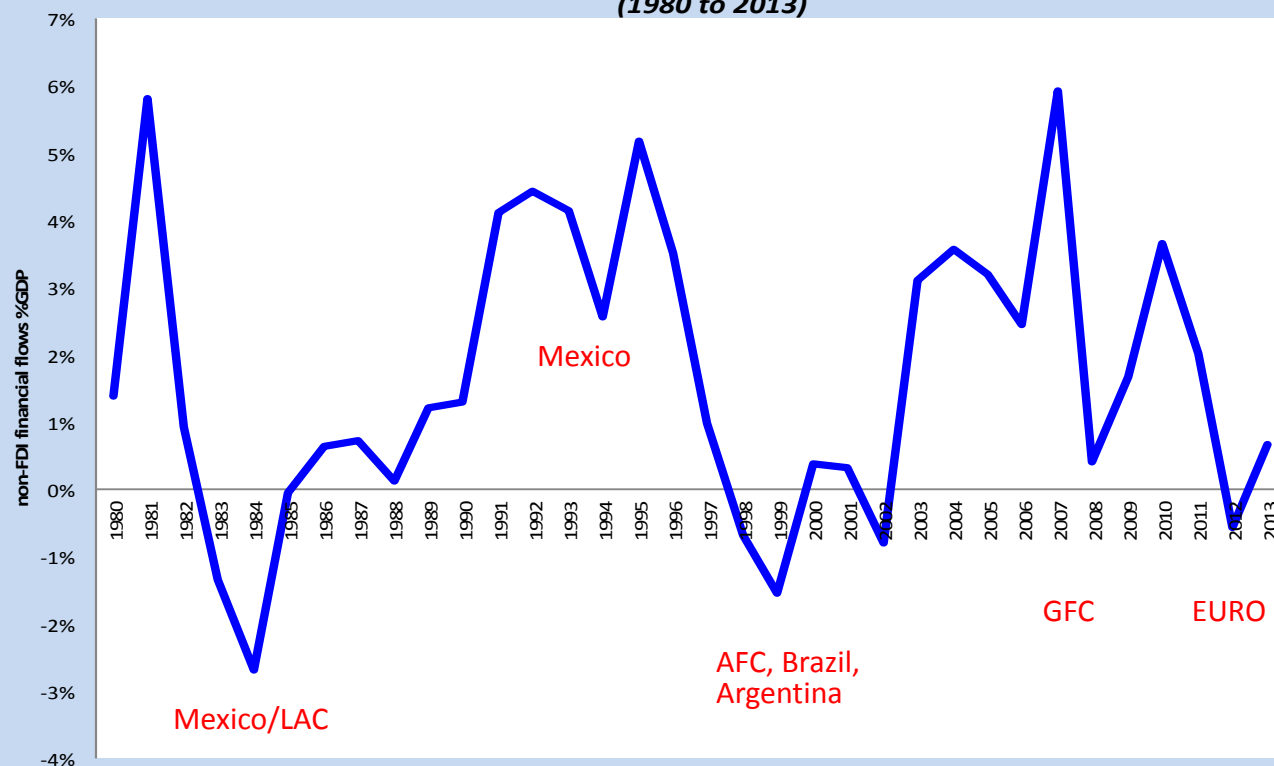
(Hyper) Globalization

	<u>1980</u>	<u>2016</u>
GDP*	10	75
Trade*	4	44
FDI (stock)*	0.701	26
Financial Markets*	12	300
Carbon emissions	18 (kt)	36 (kt)
Labor Share		
<i>Industrialized</i>	55 (%)	40 (%)
<i>Developing</i>	50 (%)	37 (%)

*US\$ trillions

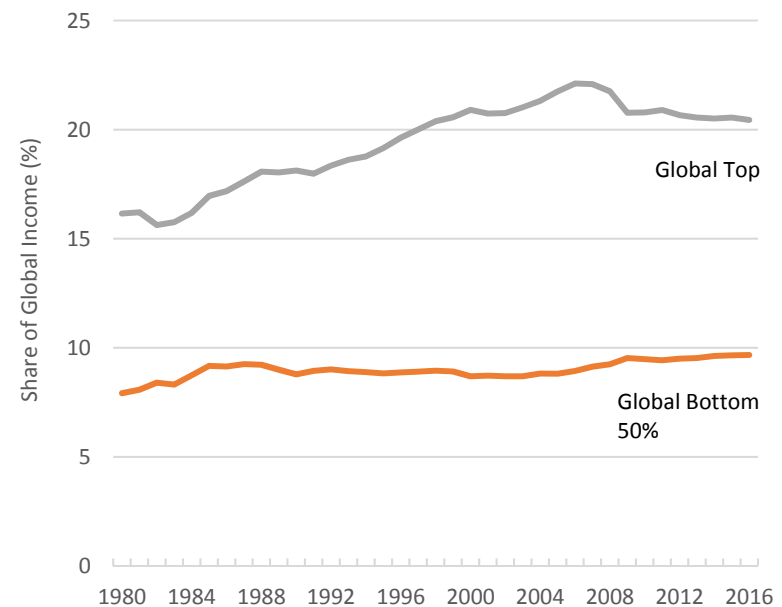
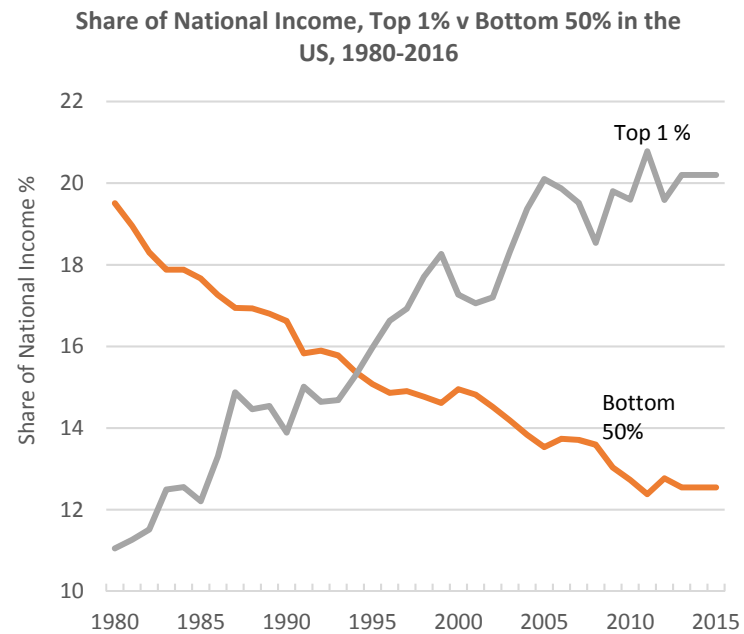
Capital Flows to Emerging Markets

(1980 to 2013)



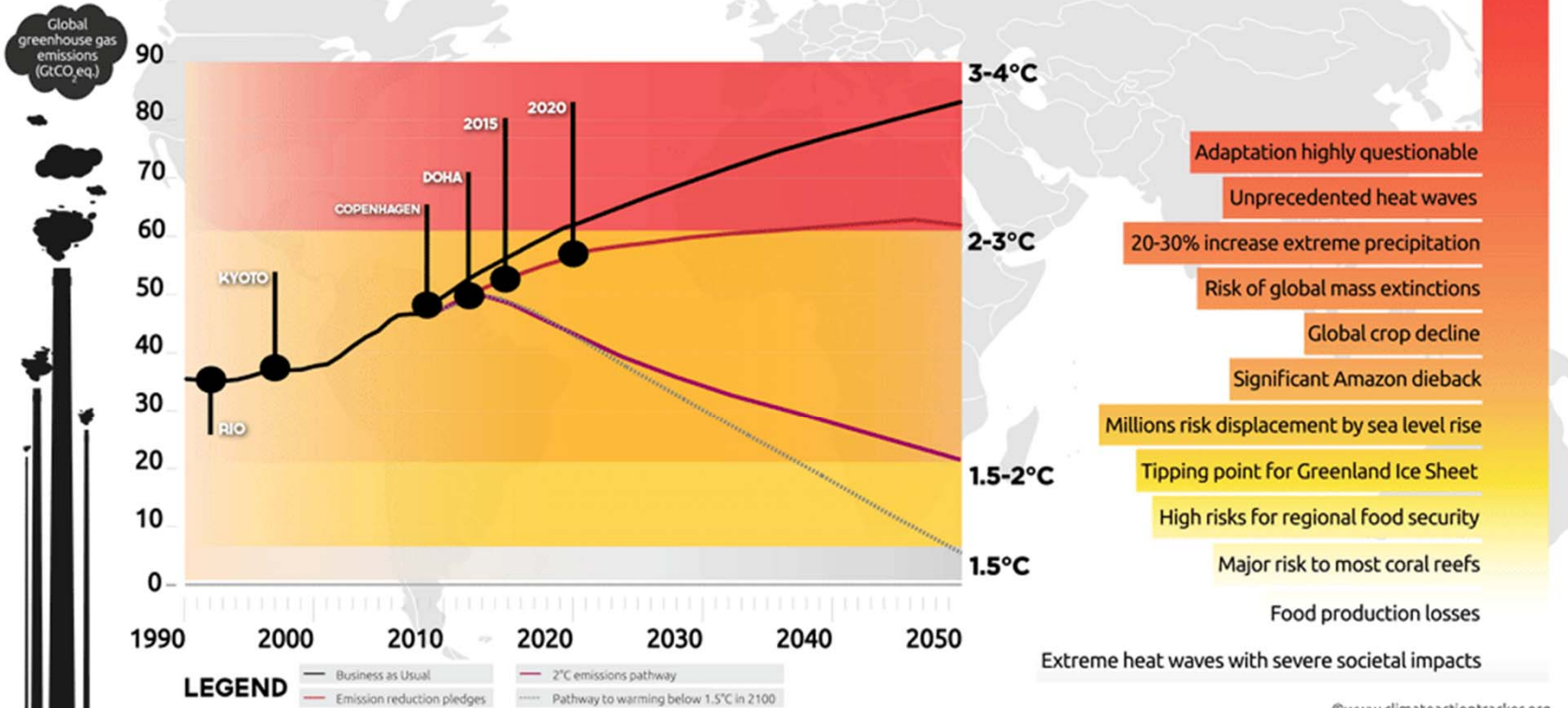
Please update Figure 1.9 from latest TDR WITH arrows pointing to a financial crisis at every point when K flows go negative—this illustrates how footloose finance destabilizes the world economy.

A World Fit for the Few



STAYING BELOW 2°C: THE CHOICES WE FACE

With current pledges on the table to cut emissions, we are heading to a 3.3° C warming future. No further action before 2020 will limit society's choices. As temperatures rise, so do the impacts.



©www.climateactiontracker.org
Ecofys | Climate Analytics | PIK



21st Century Foundations



Geneva Principles:

New foundations for 21st Century Multilateralism

- Delivering **full and decent employment** at livable wages
- Closing **socio-economic gaps**, within and across generations, nations, households, and gender
- Democratising markets and extending **economic rights**
- Ensuring healthy and **zero net-carbon environments**

Principles for a New Multilateralism

- Shared goals for a just transition
- Common but differentiated responsibility
- Policy Space for national sovereignty
- Limit beggar-thy-neighbor policies
- Balanced and open dispute resolution