



THE WORLD POLICY FORUM

Governance Realignment

The International Financial System in Distress: addressing short- and long-term challenges to support recoupling

T20 Task Force:

TF9 – International Finance

Speakers:

Panelists:

- **Alicia García-Herrero**, Senior Fellow, Bruegel
- **Claude Lopez**, Senior Director, Research Department, Milken Institute
- **Akshay Mathur**, Director, ORF Mumbai and Head of ORF Geoeconomics Programme
- **Jose Siaba Serrate**, Counsellor Member, Argentine Council for International Relations (CARI)
- **Mehmet Şimşek**, Advisor, Dome Group; Former Deputy Prime Minister of Turkey

Moderator:

- **Franco Bruni**, Vice President, Italian Institute for International Political Studies (ISPI)

Session description:

The economic transformation needed to recouple economic growth with social prosperity and environmental sustainability will require a significant amount of financial resources. These financial needs come against the background of the Covid-19 pandemic, which has triggered massive fiscal spending for supporting the economy and improving public health. Central banks have created very large amounts of liquidity. Debt levels have risen strongly. Especially in low- and middle-income countries this presents a serious problem, which the global community has to address systematically and urgently in order to safeguard monetary and financial stability.

There are also longer-term challenges to financial stability and the international financial system. Among them are the emergence of digital currencies – a largely unregulated field – and the increasing internationalization of state-owned enterprises. Moreover, bank management and central bank strategies are challenged by the need to contribute to ESG global objectives.

The G20 is a major forum for addressing issues in international finance, and this panel will make recommendations to G20 policy-makers.

Objectives:

Discuss the problems with unsustainable debt, the urgency of the problem and ways to address it.



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Address the required changes in the international financial system to effectively tackle climate change, rising inequalities and ESG objectives.

Explain long-term challenges to the financial system, such as digital currencies or the internationalization of state-owned enterprises, and develop policy responses.

Literature:

Policy briefs:

- T20 2020 TF International Financial Architecture policy briefs
- 15 policy briefs by T20 2021 TF 9, also from the members of the panel, are forthcoming in June: <https://www.t20italy.org/2020/12/05/tf-9-international-finance/>