



LSE Global Economic Governance Commission

The LSE Global Economic Governance Commission is a forum for debating and redesigning global economic governance.

The Commission

Covid-19 and Russia's invasion of Ukraine have forced upon the world a **new Bretton Woods moment**. The crises have exposed the fragilities of the **global monetary order**, encouraging unprecedented attempts at monetary relief followed by painful bouts of monetary tightening. So too have they exposed the dislocations in the **global trading system**, spurring a supply chain crisis for energy, food, and other industrial inputs that have exacerbated inflation to levels not seen since the 1970s. As the consequences of rising interest rates and rising price levels hit hardest in the poorest countries, there has also been renewed attention to reviving the **global development agenda** and equipping the International Financial Institutions the resources they need to stave off another emerging market debt crisis. With economic damages rising and tax revenues falling, the need for **global tax coordination** has similarly been thrown into sharp relief.

To steer the much-needed transformation of the rules, practices, and institutions of the global economy, the London School of Economics and LSE IDEAS have convened the LSE Global Economic Governance Commission. The Commission brings together leading academics and policymakers around six core domains of global economic governance: **monetary** policy, **trade** policy, **development** policy, **tax** policy, **climate** policy, as well as **sanctions and economic interdependence**.

Activities & Special Projects

The Commission hosts [public panels and lectures](#) on all matters relating to global economic governance. Event details are announced online by LSE and LSE IDEAS. The Commission has also been engaged to work with various international organisations and governments, such as:

- Leading the UN Economic Commission for Africa's "**Report on the Future of the Global Financial Architecture**," to be presented at the 2022 IMF-World Bank Annual Meetings
- Advising the Cabinet Office's Assessment Unit on **sanctions, economic fragmentation, and UK vulnerabilities**
- Meeting with India's Observer Research Foundation to advise on **the 2023 G-20 agenda, which India will be hosting**

Commissioners

Baroness Minouche Shafik, LSE Director

Professor Chris Alden, Director LSE IDEAS

Professor Jayati Ghosh, Professor of Economics at the University of Massachusetts Amherst

Professor Keyu Jin, Associate Professor of Economics at the London School of Economics

Dr Nikhil Kalyanpur, Assistant Professor of International Political Economy at the London School of Economics



Professor Margaret MacMillan, Engelsberg Chair at LSE IDEAS, Professor of History at the University of Toronto, and Emeritus Professor of International History at Oxford University

Professor Danny Quah, Dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore and the Lee Ka Shing Professor in Economics

Professor Dani Rodrik, Ford Foundation Professor of International Political Economy at the Harvard Kennedy School

Dr Vera Songwe, United Nations Under-Secretary General and Executive Secretary of the Economic Commission for Africa

Lord Nicholas Stern, IG Patel Professor of Economics and Government and Chair of the Grantham Research Institute

Professor Joseph E. Stiglitz, University Professor at Columbia University, Nobel Laureate

Professor Andres Velasco, Dean of the LSE School of Public Policy and Former Finance Minister of Chile

Professor Ngaire Woods, Dean of the Blavatnik School of Government and Professor of Global Economic Governance at Oxford University

Professor Gabriel Zucman, Associate Professor of Economics at the University of California–Berkeley

Events

The World in Polycrisis: A New Agenda for Global Economic Governance

The first evidence session identified the main challenges faced by the current economic order, and the concrete political conditions and institutional pathways in need of transformation. Key conclusions included the need for an issue-based approach rather than large scale institutional reform, with a focus on materially improving existing practices that help redress the low levels of trust in established institutions. Politics was identified as the obstacle to global coordination. The deteriorating US-China relationship is a great part of this challenge, as is the strain of debts and unfavourable demographic trends on the US's ability to meet global demand for dollar liquidity and safe assets, with direct impact on developing countries.

- **Participants:** Minouche Shafik, Nick Stern, Keyu Jin, Chris Alden
- [Interim Report #1](#)

Weaponizing the Global Economy

In the second evidence session, the Commission discussed how increased economic interdependencies have changed the nature of economic statecraft and global economic governance. The session was held weeks after Russia's invasion of Ukraine, which brought to the fore the economic and geoeconomics problems that accompany this new era of 'weaponized interdependence'. The invasion highlighted once more the fallacy in the notion that economic coercion was an alternative to war - economic networks are in fact employed as weapons of war.



- **Participants:** Abe Newman, Rachel Ziemba, Ben Judah, Nikhil Kalyanpur
- [Interim Report #2](#)

A New Bretton Woods: Global Economic Governance in Historical Perspective

The third evidence session provided a historical overview of previous efforts to reform global economic governance and to establish whether they provide any insights for today's policy makers. History teaches us that international orders are usually produced by crises that pull countries into efforts to create economic stability. In the absence of a renewed sense of urgency regarding the need for global cooperation to ensure economic security, conflict will become more likely. A key issue of cooperation is setting clear mandates for any forums for cooperation and ensuring truly global inclusion.

- **Participants:** Ngaire Woods, Margaret MacMillan, Andres Velasco, Rana Mitter
- [Interim Report #3](#)

Reforming the Global Tax System

The fourth evidence session covered international tax coordination and the next steps on implementing the global corporate minimum tax. There is a new impetus behind the need for binding international agreements on preventing harmful tax practices. A set of questions present themselves to experts and policymakers: What are the political and economic challenges required for achieving greater transparency and enhanced coordination? In which forum and through which decision-making processes should these issues be addressed? Do the interests of middle- and low-income countries differ from those of advanced countries?

- **Participants:** David Bradbury (head of tax at the OECD), Gabriel Zucman, Francisco Ferreira, Tasha Fairfield

The Emerging Market Debt Crisis

Slowing global growth, surging inflation and rising interest rates are squeezing emerging markets more than others. Past economic crises have proven that low-income countries are most vulnerable to economic stagnation and financial crisis when global debt levels reach record highs. How is this crisis different from past emerging market debt crises? What international strategies are being developed to slow the crises and minimize the impact? How can we ensure such disproportionate impacts on low-income countries do not occur again?

- **Participants:** Joe Stiglitz, Jayati Ghosh, Jerome Roos
- Date: Thursday 28 July