



UNITED NATIONS CONFERENCE ON THE WORLD FINANCIAL
AND ECONOMIC CRISIS AND ITS IMPACT ON DEVELOPMENT

NEW YORK 24-26 JUNE 2009

CONFERENCE INFORMAL BRIEFING PAPER #2

Why do we need a Global Economic Coordinating Council?

1. A Global Economic Coordinating Council (GECC), one of the recommendations under consideration in the negotiations of the final outcome document for the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development, could meet a number of needs, among them:
2. To fill the massive and dangerous gap between (a) the proliferation of the hundred-headed hydra of specialized agencies, balkanized regulatory frameworks, and private, self-regulated organizations; and (b) the ad hoc, piecemeal and reactive practice of macroeconomic policy coordination and crisis response.
3. To provide an apex world body that can serve as a locus of accountability; a mechanism for assuring transparency and appropriate oversight; and to provide a framework for orchestrating mid- to long-term analysis and early warning of systemic risks.
4. To enable representation of all 192 UN Member States within a framework of defined and legitimate legal procedures. The current G20 arrangement provides no rationale for its membership selection process, no transparency in its decision-making processes, and no basis for its legal authority. G20 governments only represent themselves, and are only accountable to themselves.
5. Under current arrangements, approximately the same self-selected group is represented in each of the major public and private forums and processes for policy coordination and regulatory and institutional reform – be it G20, G7/8, Basel, IMFC, and so forth. Little wonder that no one has been made accountable for the massive surveillance and policy failures that led to the current crisis. *Nemo iudex in re sua* (no one should be judge in her own case) is a fundamental principle of any legal order.
6. The global economy of the 21st century is already extremely complex and will become more so every year. Proper coordination and management requires a substantial cadre of sophisticated and independent experts to provide appropriate surveillance, systemic transparency, early warning and policy assessment. The current system has little or no secretariat of its own and relies upon institutions with competing and often contradictory mandates.

7. Even well-run specialized agencies and institutions cannot always self-police, and invariably confront knowledge and data gaps that can only be filled when a third-party has both the need and the power to demand timely and complete information, and to mandate and enforce coordinated policy compliance. The GECC could identify institutional gaps and make recommendations for remediation.
8. The evolution of modern technologies and modes of commerce and finance pose many new layers of regulatory and management challenge. Increased demands for policy coordination in areas such as economic stimulus, social protection, provision of global public goods, and especially investment in climate change remediation and adaptation are not being met and are unlikely to be met by current institutional arrangements, but require a flexible and policy coordination group. The Global Economic Coordinating Council is needed to provide an adaptive framework that can work across mandates and institutional perspectives to create open dialogue leading to integrated responses to a rapidly expanding set of economic policy issues.
9. The Global Economic Coordination Council is needed to provide a forum for complex, multi-stakeholder negotiations, especially now on climate change, even as economic crisis.
10. The GECC could also serve as the focal point for monitoring compliance with commitments made by independent organizations, institutions and agencies.
11. Properly designed, the GECC, organized as a subsidiary organ of the General Assembly, could take on many of the responsibilities, as yet unmet, called for in the Charter, including, inter alia:
 - initiate studies and make recommendations to promote international cooperation (Article 13)
 - consider and approve any financial and budgetary arrangements with specialized agencies (Article 17)
 - establish such subsidiary organs as it deems necessary for the performance of its functions (Article 22)
 - promote higher standards of living, full employment, and conditions of economic and social progress and development (Article 55)
 - promote solutions of international economic, social, health, and related problems (Article 55)
 - make recommendations for the co-ordination of the policies and activities of the specialized agencies (Article 58)
 - initiate negotiations among the states concerned for the creation of any new specialized agencies (Article 59)
12. The GECC could also provide a forum for the articulation of global principles and minimum standards, including principles of harmonization, subsidiarity, transparency and worldwide accountability in regulatory, tax and fiscal policy coherence, where stronger global institutions may not be presently desired or feasible.
13. The GECC, as a globally representative institution, can provide a once-removed forum for analytical and empirical assessment of policy frameworks adopted within the Bretton Woods institutions and other global organizations and frameworks.