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Chapter I

Global Economic Governance: Players, Power, and Paradigms

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I. Introduction

For scholars and practitioners of global economic governance (GEG), the onset of the crisis in 2007–2008 triggered deep cognitive dissonance. On the heels of beleaguered international trade talks, devastating volatility in global commodity prices, and growing disenchantment with Western models of development and aid, the financial shocks that reverberated from Wall Street to the rest of the world called into question many of the conventional wisdoms regarding how and by whom the world economy should be run. Such dissent is hardly new, as evident in the growth of protest movements surrounding the global governance of trade, finance and development over the previous two decades (O'Brien et al. 2000; Broad 2002; Stiglitz 2002; Wilkinson 2002; Scholte 2011). Yet, the financial meltdown of the world's leading economy significantly sharpened public awareness and attention to the exigencies of global economic governance reform.

In short, the global financial crisis incited serious reflection on the legitimacy, relevance and effectiveness of the core ideas, rules and structures that have governed the world economy over the past several decades. This in turn has sparked numerous efforts to rethink and in some cases reform the formal and informal institutions of global economic governance to redress failures of the past. Yet such revolutions, even at moments of clear 'punctuated equilibrium', do not happen overnight (Helleiner 2010; Moschella and Tsingou 2012). Complex crises, surrounded by pervasive uncertainty and risk and riddled with vested interests and collective action problems, can reinforce continuity as well as spur change. Our task as scholars of global economic governance is to make sense of this chaos: to unpack and explain the dynamics of global economic governance to understand where we have been, where we are today, and where we may be going.

To that end, there are at least three trends we observe in contemporary global economic governance that provoke an initial set of questions on the state of contemporary global governance. First, there is a clear proliferation of institutions across the world. This appears most prevalent in global trade with an astonishing boom in preferential trade agreements and regional organizations (Baldwin 2011; Freund and Ornelas 2010; Ravenhill 2011; WTO 2011). It is also apparent in global finance, such as multilaterization of the Chiang-Mai Initiative (Grimes 2009; Henning 2009; Lombardi 2010) and growing influence of international standard-setting bodies (Büthe and Mattli 2011;

Griffith-Jones et al. 2010). In international development, we have seen an increased presence of new bilateral aid donors outside of the Organization for Economic Cooperation and Development as well as influential private foundations such as the Bill and Melinda Gates Foundation (Kapur and Whittle 2010; Büthe et al. 2012). Why and how is this institutional landscape changing? How did the ex ante rules, norms and structures of global economic governance inhibit or compel this growth? Alternatively, how has the increase in the number, geographical diversity and variety of institutions affected how global trade, finance and development are governed today? How are new institutions challenging the relevance, legitimacy and effectiveness of preexisting institutions?

On the other hand, there is also growth *within* extant institutions with respect to membership and tasks that merit closer inquiry. For example, there are an increasing number of member states in traditional IGOs, such as the WTO, IMF and World Bank, regional organizations (like the European Union) and other global forums (such as the G20). In the wake of the crisis, even a number of regulatory bodies, which have traditionally operated as exclusive clubs for the advanced economies, have expanded their membership (i.e., the Financial Stability Board and the Basel Committee for Banking Supervision). Membership expansion has often been accompanied by task expansion that has taken place via either explicit principals' delegation of powers (as is the case with the FSB) or informal appropriation of new functions (as is the case with the IMF's involvement with financial sector surveillance) (Moschella 2011). These developments raise important questions. To what extent is membership expansion a reflection of broader shifts in material or ideational power in the world that necessitate the inclusion of new actors and emerging powers, particularly the BRICS, into the fold (Alexandroff and Cooper 2010; Florini 2011; Grabel 2012)? Is the mission expansion the natural outcome of structural changes in the global economy or does it reflect new power configurations and paradigms? I n turn, how has expansion in both membership and tasks generated stress on the legitimacy and efficiency of existing decision-making rules and procedures and pressures for institutional reform (Hurrell 2006; Woods 2010)?

Furthermore, we also observe an increased variety in who holds authority and exercises influence in global economic governance. This speaks to the essential question of who are the global governors (Avant, Finnemore and Sell 2010), and specifically the need to account for the presence and influence of non-state actors in our analyses. For example, the sustained growth and pressure of social movement protests over the last two decades has arguably led to the relative opening (if not fully inclusive attitude) of many economic institutions towards the input and oversight of civil society in global governance (Keck and Sikkink 1998; O'Brien et al. 2000; Busby 2011; Scholte 2011). Whose interests do civil society organizations represent? How has the influence of civil society shaped the rules and norms of contemporary global governance? To what extent has civil society's demand for greater democratic accountability changed the structures and nature of decision-making and operations in international economic institutions?

Moreover, scholars have increasingly turned attention to the growing presence of private sector actors and private authority in global governance (Cutler, Haufler and Porter 1999; Hall and Biersteker 2002; Büthe 2003; Kahler and Lake 2003). They have sought to explain the rise of private regulation (Büthe 2010; Büthe and Mattli 2011; Germain 2010; Mattli and Woods 2009; Porter and McKeen-Edwards forthcoming) and the risks of regulatory capture or 'self-regulation' by the private sector (Helleiner and Pagliari 2010). Why have private sector actors gained voice and influence

(Tsingou 2012)? When and where have public institutions delegated or ceded governance authority to the private sector, and why (Haufler 2001; Vogel 2008)? How is 'global private regulation' challenging traditional notions of authority and power in global governance (Büthe and Mattli 2011)? What are the normative and logistical implications of this in terms of the legitimacy and effectiveness of global private governance in looking out for the public interest (Zürn 2004; Graz and Nolke 2008; Mattli and Woods 2009)? How has the global financial crisis of 2007–08 strengthened or weakened the role of different non-state actors in economic governance (Pagliari and Young 2012)?

While these observations and questions are by no means comprehensive in terms of capturing the complex dynamic of global economic governance today, they do lead us to frame our approach in this handbook around the three Ps of governance: **players, power** and **paradigms**. This heuristic allows us to organize our analysis around key driving questions: Who is playing a central role in global economic governance of the defined issue areas? What are the sources of material and social power that enable these 'global governors' to demand or assume positions of governing authority, define agendas, and write and enforce the rules of the game? What paradigms do these players bring to the table (or alternatively, how do dominant paradigms bring certain actors to the table), and how are the underlying principles and practices of global economic governance shaped by these ideas and beliefs about how the world economy does and should work?

More critically, we suggest a dynamic approach to the study of global economic governance that is staked on the assumption that the three Ps are part of an unstable but mutually constitutive relationship. Indeed, the contributions in this Handbook explore the patterns of continuity and change in players, powers and paradigms showing how the continuity/change in one of the three dimensions is closely related to what happens in the others. Highlighting the interconnections between the three Ps, we are interested in exploring how patterns of continuity/change within and between players, powers and paradigms shape global economic governance in different areas of activity and result from or provoke the kinds of crises of legitimacy, relevance and effectiveness we observe in global economic governance today. In other words, we conceive the relationship between power, players and paradigms, on the one hand, and crises of legitimacy, relevance and effectiveness, on the other, as a two-way street: the former can be shaped by the latter and vice versa. This means that what the most important sources of powers are, who the key players and the dominant paradigms become both shape and are shaped by issues of legitimacy, relevance and effectiveness.

Of course, we acknowledge the methodological difficulties that derive from the adoption of this dynamic approach. That is to say, we realize that the study of the mutual constitution of players, powers and paradigms (as well as the mutual constitutions of the three Ps and legitimacy, relevance and effectiveness) faces scholars with serious problems in disentangling cause-and-effect relationships. For instance, if much of IPE scholarship has been particularly successful in conceptualizing major trends in global economic governance in the past few decades, this can be attributed to a significant extent to the epistemological choice of focusing on one specific factor over the others. However, the burst of the global financial crisis—in common with many of the crises that preceded it—has revealed how limited our knowledge of the global economy was (Abdelal, Blyth and Parsons 2010b). This Handbook thus takes up the challenge of making sense of the complexity of the world economy although this may entail the more daunting task of tracing and explaining mutually constitutive phenomena.

II. The Three Ps of Global Economic Governance: Players, Power, and Paradigms

Defining Global Economic Governance

If it is true that the hand that guides the markets is invisible, as Adam Smith purported, it is also true that the market 'does not work by magic or, for that matter, by voodoo. It works through institutions, procedures, rules, and customs' (McMillan 2002, 8). We define global economic governance here to be *the international rules-based framework through which economic actors (be they states, firms, institutionalized agencies, organized groups, or individuals) seek to resolve collective action problems and promote cross-border coordination and cooperation in the provision or exchange of goods, money, services and technical expertise in defined issue areas of the world economy*.

In common with other global governance areas where different types of legalized arrangements coexist (Abbott and Snidal 2000), global economic governance can be both formal and informal. Formal governance is manifested in law and international governmental institutions (e.g., IMF), forums (e.g., G20 and Financial Stability Forum, FSF), international private boards (e.g., International Accounting Standards Board, IASB), and international non-governmental organizations (e.g., Amnesty International, Greenpeace). Global economic governance can also refer to more informal sets of principles, norms and practices (including self-governance agreements) that comprise a general consensus among defined groups of actors about appropriate behaviour in key issues areas. The Global Compact and Extractive Industries Transparency Initiatives governing multinational corporations or several international arrangements for prudential regulation, which involve a complex, interrelated set of informal committees and decentralized networks engaged in technical collaboration (Porter 2005), are two cases in point.

From an instrumental or functional point of view, global economic governance is intended to promote efficiency and effectiveness in the world economy and to correct market failures by producing public goods, such as financial stability, which would be otherwise at risk of being under-provided. At the same time, however, as a system of governing authority, it is expected to also embody accountability and representation—although the question of whose interests need to be represented and who should be accountable to whom is itself a matter of controversy. Scholars are divided between those who advocate true democratic legitimacy, making global economic governance mechanisms answerable to individuals and national legislatures, and those who support more limited solutions such as enhancing transparency and expanding participation as remedial actions (c.f., Archibugi and Held 1995; Collins-William and Wolfe 2010; Mügge, Underhill and Blom 2010; Scholte 2011). Setting aside the question of what the most appropriate instruments to ensure adequate representation and accountability in global economic governance are, it is also worth noting that there is quite often tension between the above-mentioned goal of efficiency/effectiveness and the quest for legitimacy (Higgott 2012). In other words, it is not unlikely that representation and accountability mechanisms need to be subordinated for efficient and effective action to materialize. Think, for instance, of the IMF crisis management role. It would be very difficult for the Fund to effectively quell a crisis should it seek the approval of its quasi-universal membership before being allowed to intervene. In other words, the political timing does not always coincide with the market timing, making it all the more difficult to reconcile the two goals global economic governance is expected to achieve.

Patterns of change in global economic governance can be traced back to different causal factors. One prominent explanation is that changes in global economic governance reflect evolving responses to new collective action or coordination problems that arise from the discovery of new technologies, new goods and services, and means of production and exchange. Such change is evident in the growth or adaptation (and sometimes elimination) of existing institutions or creation of new forms of governance. For example, the creation of the European Financial Stability Facility (EFSF) and of the European Stabilization Mechanisms (ESM) over the past few years can be interpreted as a response to the new problem of financial instability in the Euro zone—a problem that was not even conceived when the European Monetary Union was launched in 1991. Likewise, the evolution of the IMF lending facilities can largely be explained as successive responses to new economic problems—be they development issues in the 1970s (leading the Fund to create the Extended Fund Facility) or capital flows volatility in emerging economies in the 1990s (with the creation of the Supplemental Reserve Facility and the Contingent Credit Line) among others.

Next to adaptation to new problems, changes in global economic governance are also driven by contestation surrounding the underlying principles, rules and norms that shape formal and informal governance structures and practices. This is the potential for change that is sparked by tensions between the so-called rule-makers and rule-takers. Such contestation can result from shifts in the balance of power between actors in the world economy, from moments of crisis or prolonged periods of economic malaise when the validity of ideas and belief systems undergirding status quo rules and policies is called into question, or as inequities and injustices in extant rules-based frameworks are challenged. As the chapters in this handbook show, the result of such contestation may be continuity, deeper change, or something in between. Vested interests, asymmetric bargaining power, institutional lock-in and inertia, sunk costs, and pervasive uncertainty and risk all affect prospects for governance change.

Before digging into the web of factors causing change in global economic governance, for analytical purposes we analyse these factors separately. In particular, in what follows, we examine the key features of the players, power and paradigms whose interaction shape and re-shape global economic governance over time.

Players in Global Economic Governance

Who are the key actors and institutions that exercise power and influence over the rule-based frameworks in global economic governance? The answer given to this question reflects some of the most well-known theoretical divides in the IPE literature. Explanations can be arranged according to whether they identify the main actors as operating at the domestic, inter-state or international and transnational level.

For those emphasizing the domestic roots of global economic governance, the key players are well-organized interest groups that lobby domestic governments influencing their stance in international negotiations. This explanation is well established in the trade literature where the interests of business and farmers' groups figure prominently in the analysis (Destler and Odell 1987; Dür 2008; Evans Jacobson and Putnam 1993; Grossman and Helpman 2002; Woll 2008) and appeared to have shaped international agricultural negotiations that took place at the WTO between 1999 and 2006 (da Conceição-Heldt 2011). These insights are echoed in the academic scholarship on finance where financial industry groups and associations are often identified as one of the primary players in the financial regulatory arena, capable of steering domestic and international financial governance away from measures that could undermine their interests (Underhill 1995; Wood 2005). For instance, it has been noted that the use of capital controls in a number of emerging market nations in the aftermath of the recent crisis has been supported by some important domestic interest groups whose economic interests were threatened by the exchange rate appreciation that followed financial de-leveraging in advanced economies (Gallagher 2012).

Next to domestic firms and interests groups, scholars privileging a domestic perspective also shed light on the role played by sub-units of governments and other societal interests (Seabrooke 2006; Singer 2007). For instance, some of the most important global financial rules and arrangements in the banking, securities, and insurance sector have been associated with the behaviour of domestic financial regulators based on their preferences on the trade-off between stability and competitiveness (Singer 2007). A further example of domestic players relevant for governance dynamics comes from the European context, where most of the Union economic and governance arrangements have been driven by the activity of European Union bureaucrats, most of them working for the European Commission (Jabko 2006; Posner 2005).

For scholars that explain global economic governance as the outcome of interstate interactions and negotiations, the natural players are states. Scholars working in this tradition have devoted particular attention to the preferences and the behaviour of leading states. Eric Helleiner's (1994) and Ethan Kaspstein's (1994) works on the evolution of the global financial system well exemplify these themes, by showing how the framework for governing global financial markets could not have developed without the political underpinning provided by leading states such as the US and the UK.

Although primary attention has been devoted to the activity of leading states, the role of peripheral or small states has not gone unnoticed. For instance, Jason Sharman (2006) provides a careful examination of the way in which three dozen small tax haven jurisdictions defeated a large-state coalition in the OECD in establishing the rules that define international tax cooperation. By exploiting the costs associated with reputation damage, the small states engaged in a rhetorical battle that forced the organization and its largest members to retreat from establishing global tax standards that would have ruled out the use of tax concessions to attract foreign investment. In a similar vein, Andrew Walter (2008) has shown how the diffusion of the G7-supported global financial governance—i.e., the one based on international financial standards developed in the aftermath of the Asian crisis in 1997–98 and modelled after Western practices in banking and securities supervision, and corporate governance—has been hindered by domestic implementation in a number of peripheral countries in the Asian region.

Examining the role of state players other than the leading ones is also of particular importance following the global financial crisis. Indeed, one of the effects of the crisis has been a power reshuffle in favour of emerging markets as attested, among others, by the distribution of global public debt between developed and emerging market countries (Prasad and Ding 2011). Based on this power shift, it is perfectly plausible that some of these countries, such as China, will become more assertive in influencing the international governance debate and outcomes. The recognition of the increasing importance of emerging markets to the governance of the global economy is also manifested in a number of reforms to the international financial architecture that have expanded the membership of key international bodies (i.e., the FSB, the BCBS, and the Committee on the Global Financial System,) and increased the weight of emerging and developing countries in the policy-making processes. For instance, in December 2010 the International Monetary Fund endorsed a significant realignment of its quota shares resulting in the presence of the four largest emerging economies (Brazil, China, India, and Russia) among its ten largest shareholders. A similar shift occurred shortly after at the World Bank, including a greater share of votes provided to China and the creation of a new constituency seat for Africa.

Finally, next to the players that operate mainly at the domestic and interstate level, the IPE scholarship has also devoted explicit attention to those players whose primary operating environment can be found at the international and transnational level. International organizations are the first and obvious examples here. Indeed, an important strand in IO scholarship is the one that seeks to explain how these players autonomously and powerfully shape the content and rules that inform global economic governance at specific points in time. Here, organizations such as the WTO or the international financial institutions are the ones that have received the most attention particularly because of their quasi-universal membership that make them particularly well-placed to influence global governance dynamics (Barnett and Finnemore 2004; Abdelal 2007; Weaver 2008; Avant, Finnemore and Sell 2010; Park and Vetterlein 2010; Chwieroth 2010).

International organizations do not exhaust the list of players whose activity has important consequences for GEG. Indeed, in line with one of the key developments of global governance in the past decades, global economic governance appears to be increasingly shaped by the activity of a complex global web of policy networks (Slaughter 2004). These networks have different composition according to the issue area in which they are involved, thus members may include trade specialists, financial regulators or government officials. In spite of different composition, networks in GEG share a number of important characteristics: they are usually expert bodies that operate on a transgovernmental or transnational level that, in turn, favours the formation of common mindsets and preserves their isolation from political pressures. These arguments have been most forcefully explored in a number of works in global financial governance. Specifically, it has been noted that governance arrangements are highly influenced by small groupings of experts that develop common beliefs and shared understandings via processes of deliberation and information exchange (Baker 2006; McNamara 1998; Tsingou 2009). This commonality may also derive from patterns of recruitment and common professional and educational backgrounds (Chwieroth 2008).

At the transnational level, both profit and non-profit private actors are also important players. Financial industry groups and associations well represent the first group of actors. Indeed, several studies indicate how their influence on global financial governance has been exerted directly on international regulatory bodies, that is, by bypassing national governments. This circumstance has led several observers to identify the phenomenon of 'transnational regulatory capture'—although there is evidence that their influence on global financial governance has been exaggerated in some cases (Young 2012). Private actors may also influence the workings of international organizations by shifting the focus of their activities. For instance, private financial intermediaries appear able to influence the conditions included in IMF programs because their financing is necessary for the success of Fund-designed programs (Gould 2003). Non-profit private groups, such as transnational advocacy groups, may also exert similar influence when their claims are supported by key state players (Broome 2009) or by sympathetic staff members within international organizations (Park 2005; Woods 2006; Weaver 2008; Park and Vetterlein 2010).

As this brief overview of some of the major themes in the IPE literature reveals, global economic governance is a very crowded arena including players as diverse as states, intergovernmental organizations, expert bodies and private actors. To complicate the landscape, these players tend to intermingle. They do not solely move from one policy realm to another, as is the case, for instance, of the IMF's involvement in financial stability as well as development issues. They also switch from the private to the public sector and vice versa through the phenomenon of 'revolving doors' (Seabrooke and Tsingou 2009), making the task of identifying the key players difficult and time-sensitive. Indeed, players, their influence, and their policy position change significantly over time, thus inviting investigation of the causes of such change.

Changes in material and social power and paradigms, as discussed in the following sections, are certainly key in this respect. Indeed, identifying the key players in GEG is strictly dependent upon the sources of power the players command and upon dominant understandings about how the global economy should work. Nevertheless, it would be a mistake to focus on one factor over the others as the ultimate cause of change. Players are not solely constituted by changes in power and paradigms but they themselves constitute those same sources of power and reinforce or weaken economic paradigms.

Power and Global Economic Governance

As in any form of government, the working of global economic governance is dependent on the exercise of power in order to generate the 'system of rules' that guide the behaviour of economic actors and stabilize their expectations (Rosenau 1992, 4). The production of rules, however, is just one of the many forms through which power is exercised (for a representative argument of this point see Bachrach and Baratz 1962; also Barnett and Duvall 2005). Limiting our analysis to the case of global economic governance, and with no claim of being exhaustive*,* there are several ways in which power manifests itself. For instance, power does not solely entail deciding the rules by which other actors play but it also refers to the capacity of setting political agendas and taking actions to enforce the rules of the game. These actions can be used to punish, coerce or shame actors engaging in deviant behaviour. The IFIs, bond markets and credit rating agencies all seem to exercise this form of power in global economic governance (Hardie 2011; Sinclair 2005).

The nature of power can also be defined in terms of controlling access to the resources that other actors crave or need. This form of power is well-exemplified in the 'international organization of credit' where power is a function of who controls the access of others to credit, who is privileged by access to credit, and who reaps the advantage which access to credit implies (Germain 1997; Strange 1988). Furthermore, another form of power is the one that is manifested by gaining control over the economic destiny of other players as is the case, for instance, when a bloc of countries adopt the currency of a country outside the bloc as a peg or as the means o international transactions (Kirshner 1995). In short, the nature of power is far from uniform and more than one form of power may be exercised at the same time.

Power also stems from very different sources and scholars have tended to emphasize one over others according to their theoretical alignment. In general, sources of power can be distinguished based on their hard or soft nature: the former refers to material resources whereas the second stresses the consequences of shared understandings. Those accounts that choose not to emphasize either of these factors take as their starting point the role played by formal institutions in shaping power relationships. In what follows, we analyse each of these sources of power in turn. Before doing that, however, it is worth noting that while some of the sources of power analysed below solely apply to states, these have the potential to empower both state and non-state actors.

For scholars adopting the first perspective, market size figures prominently in the list of material conditions from which power in global economic governance stems from (Drezner 2007; Gilpin 1981, 1987). This factor plays, of course, in the hands of the biggest states in the economic system. Indeed, market size endows great powers with the option of economic coercion as a way of convincing other actors to change their economic rules and institutions in line with those preferred by the great powers. A corollary of this line of thinking is that leading states have an advantage in setting international rules because they set the economic practices that other states may decide to emulate or diverge from at their cost (Simmons 2001).

Next to market size, the material resources that shape power relationships in global economic governance include the availability of information and financial resources and the ability to set the terms of access to these resources. Seen from this perspective, the power of the IFIs vis-à-vis cash-poor developing countries derives exactly from the material resources that these institutions are able to mobilize and the credit signals that they send to other market actors. The support of key players can also be added to the list of sources of material power. For instance, Daniel Drezner (2007) has made the case that club-like financial governance institutions—international bodies with limited membership and high degrees of like-mindedness among members—have replaced the international financial institutions (IFIs) as the pillars of the international financial regulatory system because the former better serve the interests of economically advanced countries. Finally, another important source of material power in GEG is the one that stems from external liquidity position. From this perspective, GEG is mainly conceived as the outcome of the battle between creditors and debtors and their search for wealth (Palan et al. 2010). Over time, there have been crises—i.e., the 1930s, the 1970s, and the present crisis—after which a new economic order came into place; and new order tended to be set by the creditor nation (Coggan 2012).

A rival interpretation of power in global economic governance is provided by scholars who stress its social or normative foundations. Social power can be defined as 'the ability to set standards, create norms and values that are deemed legitimate and desirable, without resorting to coercion or payment' (van Ham 2010). This definition captures two important features of power: its non-coercive sources and its claims to legitimacy. To start with, the sources of power are conceived primarily as related to the realm of persuasion that stems from the ability to define meanings and constitute reality. Barnett and Finnemore (2004, 6) have provided one of the most convincing examples of these sources of power in their study of IOs by showing that these players 'are powerful not so much because they possess material and informational resources but, more fundamentally, because they use their authority to orient action and create social reality'. Technical knowledge and processes of socialization are important supporting factors in this respect. Indeed, technical, expert cooperation tends to foster cognitive convergence and shared understandings that, in turn, shape the goals and instruments of economic governance, from monetary cooperation to regulatory intervention (e.g., McNamara 1998; Porter 2005; Abdelal, Blyth and Parsons 2010).

One core concept associated with the social foundations of power is legitimacy. In particular, this concept reminds us that those who govern are compelled to make claims to the rightfulness and fairness of their actions, and that those who are governed have some capacity to reject or approve these claims (Seabrooke 2006). As a result, legitimacy is more than a property that global economic governance can acquire through institutional reforms, such as decision-making and governance reforms. Rather, legitimacy is an inter-subjective belief about how and why to govern the world economy and it is thereby dependent on a collective audience to be sustained over time (Moschella 2009). Thus, understanding this dynamic relationship between rulers and ruled permits us to develop a deeper understanding of the stability (or instability) of global economic governance in different periods of time.

Finally, another explanation of power in global economic governance focuses on its institutional determinants. Studies in this tradition include those adopting a principal-agent (PA) approach to the study of IOs. From this perspective, the power of an international agent is strictly dependent upon the terms of delegation, including both the scope of the mandate and the control mechanisms set up to minimize episodes of agency slack (Hawkins et al. 2006). This sensitivity to institutional factors is embraced by scholars whose work explores decision-making procedures and the channels for veto players in international economic institutions. These institutional factors may help explain, for instance, the continuing power of the EU within the IMF in spite of its decreased economic weight in the world economy as compared to most emerging market countries (Bini-Smaghi 2004). In a similar vein, the procedures that the Basel Committee employs to consult the banking sector when drafting its regulatory standards are considered an important source of power for the private actors that gain access to the decision-making process (Young 2012). The location that players occupy in the international policy network also adds to the list of institutional factors that increase the influence of certain players over the others (Baker 2012).

Taking an historical institutionalist approach, some authors (Bach and Newman 2007; Fioretos 2010) have also noted that the sources of power at the global stage lie in domestic regulatory institutions. A key concept used by this literature is 'regulatory capacity' defined as 'a jurisdiction's ability to formulate, monitor, and enforce a set of market rules' (Bach and Newman 2007; 831). Political centralization in domestic jurisdiction may also increase the power that may be used in international contexts shaping GEG rules and practices (Posner 2009). Domestic firms may also influence global governance arrangements based on their organization within the nation-state. For instance, it has been found that that firms operating in a hierarchical and coordinated domestic system are well-positioned to influence the outcome of global standardization processes because their system fits more naturally with the global structure, where a single regulator is the clear focal point (Büthe and Mattli 2011).

These observations on the nature and sources of power lead us to emphasize a number of points that will also emerge from the case-studies that follow. To start with, social and material power is not confined to states or the public sector in general, as embodied, for instance, in the workings of intergovernmental organizations. Instead, power may well be exercised by a variety of players ranging from groups of regulators who usually operate out of the limelight of public scrutiny to private sector actors. Furthermore, the sources of power are hardly constant but rather subject to evolution because of changes in underlying market or normative conditions. For instance, the rise of the BRICS' markets, whose economic potential is often invoked to sustain global demand in the aftermath of the global financial crisis, challenges existing power relationships based on market size dynamics. Likewise, the ongoing reforms to the Fund's governance structure, although still limited in scope, could trigger consequences for the repartition of power in GEG that are not easily anticipated or deliberately designed at this stage. Changes in power can also be brought about by changes in legitimacy perceptions which may, in turn, be related to changes in market shares and institutionalized procedures. Legitimacy crises may also be ignited by policy failures and technical inefficiency that catalyse public attention. These are precisely the conditions of the post-crisis environment, which has been characterized by an unusual politicization of the debate around financial regulatory issues (Helleiner, Pagliari and Zimmermann 2009; Moschella and Tsingou 2012; Veròn 2012; Young and Pagliari 2012). These changes in the policy-making context have set the stage for the contestation of the 'quiet power' that public and private sector regulators have long exercised in global financial governance and that had largely gone unnoticed before the crisis burst.

Paradigms in Global Economic Governance

Finally, the activity of players and the sources of power in GEG are reinforced or weakened by the existence of policy paradigms. Specifically, paradigms can be defined as a 'system of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing' (Hall 1993, 279). Thus, paradigms do not simply regulate behaviour. They also serve as interpretative and constitutive devices in that they shape how people understand political-economic problems, define their goals and strategies, and settle on specific policy solutions (Blyth 2002; Abdelal, Blyth and Parsons 2010a). Although paradigms could be treated as a source of power for those players who support their adoption, they also often independently shape global economic governance. Indeed, once a paradigm becomes instantiated into the rules and institutions that govern a specific area of economic activity, its effects may no longer be dependent on the interests of the players that contributed to their emergence and acceptance. Rather, a paradigm 'is influential precisely because so much of it is taken for granted and unamenable to scrutiny as a whole' (Hall 1993, 279).

Paradigms thus constitute a potent source of stability (or, alternatively, inertia). Once a paradigm becomes crystallized in formal institutions and informal practices, it stabilizes players' expectations about how the world economy works and legitimizes the goals set by specific players and the instruments they adopt for solving economic problems. In doing so, paradigms reinforce structures of power in that those who set the rules gained their authority from the perceived credibility of dominant ideational frameworks. Like institutions, paradigms can be sticky due to vested interests or habitus. In short, there are positive feedback loops between paradigms, players and power.

The feedback loop, however, is not necessarily self-reinforcing. It may well break down triggering important consequences for GEG. For instance, the positive, self-reinforcing loop between players, power and paradigms can be interrupted because the latter are called into question by changes at the level of both players and source of power. For instance, the rise of new economic powers can challenge dominant understandings about how the economy should work and be organized, especially when this rise is accompanied by the economic decline of previously dominant players. These are precisely the conditions in the post-crisis environment. With most of these economies mired in recession and hostage to bond markets, one of the lessons that can be insinuated from the global financial crisis is that the West may not have much to teach the rest of the world when it comes to organizing a sound financial system. The impact of the financial crisis on the real economy has also called into question the fundamental legitimacy and effectiveness of Western development models that looked down upon state intervention in the market as a means of fostering strong and stable macroeconomic growth and innovation (Mahatir 2012). In this context, 'key Asian governments, especially China and India, are increasingly disinclined to be willing to continue as rule-takers rather than rule-makers in the international system'—although it is still far from clear what rules they are likely to want to make thus casting doubt on whether or in what ways a power shift in Asia would change the nature of world order (Florini 2011, 25).

Paradigm change can also be triggered by changes in the sources of power such as repeated policy failures that undermine the technical base that informs much of contemporary global economic governance (Porter 2003). Changes in institutional sources of power, such as the quota and voice reforms at the IMF, World Bank, FSF and G20, may also trigger paradigm change by opening debate to alternative ways of thinking about the organization of the global economy. For instance, new institutional channels can provide new sovereign and private aid donors with the means to challenge conventional philosophies and operational modes of providing development assistance (Findley in this Handbook; Buthe in this Handbook). This pattern is already evident in the development assistance provided by China (now arguably one of the largest bilateral aid donors in the world) which explicitly challenges traditional definitions of Western aid by blending investment and aid and intentionally invoking the rhetoric of 'partnerships' as opposed to external assistance (Brautigam 2009; Woods 2008; Grabel 2012).

Another channel of paradigm change can be found in authority contests during which several players fight each other to establish their vision about how the world works (Blyth forthcoming). Discontent is usually a powerful trigger here: rising unemployment, falling living standards and stagnant output or recession may combine to exhaust the credibility of the rule-makers and tempt their opponents to attack the very foundations of existing economic organization. Occupy Wall Street, the Spanish *indignados* and the other grassroots movements that spread throughout 2011 are perhaps the most obvious recent examples. Indeed, these groups have attacked some of the core tenets of dominant economic models, rejecting austerity as a route to economic recovery and calling for genuinely transparent and effective regulation of the financial system. In doing so, they have attacked the perceived authority and legitimacy of private and public sector actors still clinging to the notion that markets worked best free of government regulation and they have pushed for new institutions and rules to govern global finance in ways that shift power and authority from the '1%' to the democratically represented '99%'.

The discussion thus far is not meant to suggest that paradigms are easy to change. To the contrary, as Keynes has long noted 'the difficulty lies, not in the new ideas, but in escaping from the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds' (Keynes 1936, viii). In short, it is very difficult to dismantle old systems of ideas. Several factors usually hinder the process of change. These include among others the concentration of power in a limited number of players, vested interests in dominant institutional positions, gaps in implementation capacity, bureaucratic inertia and the fragmentation of the decision-making context (Moschella and Tsingou 2012; Robert Wade 1996; Broad 2006; Güven 2012). Hence, it is not a foregone conclusion that paradigms will change even when their core ideas and resulting policies are widely discredited.

The global financial crisis initiated in 2007–08 has offered one of the most vivid examples of the importance of stability/change of paradigms to global economic governance dynamics. Indeed, before the crisis erupted, global financial governance was strongly rooted in the tenets of orthodox economics and the belief that the unbridled pursuit of rational self-interest and profit, disciplined by the self-regulating market economy, would yield systemic long-term stability and growth (Baker 2012). This unquestioned adherence to the efficient market hypotheses was part of what can be regarded as a policy paradigm, embraced during the era of the 'Great Moderation' from the mid-1980s up to the eve of the financial crash in 2007 (Quiggin 2010). The inherent prescription embedded in this paradigm was that public authorities should adopt a 'hands-off' regulatory style, letting market discipline exercise its stabilizing force and letting private actors decide when and how to self-regulate (Germain 2010; Helleiner, Pagliari and Zimmermann 2009; Moschella 2010). Within this interpretative framework, it was possible to believe that 'prices generated by financial markets represent the best estimate of the value of any investment' (Quiggin 2010, 2), thus lending support to the view that the private sector 'knows best' (Kodres and Narain 2010, 4). In other words, a specific world view of financial markets, emphasizing their self-stabilizing quality in virtue of their rational efficiency and capacity to process and respond to information, coloured the governance of global finance in the period that preceded the global financial crisis (Best 2010; Blyth 2003).

This set of ideas had important policy implications. As anticipated, its embrace meant the adoption of a hands-off regulatory and supervisory approach over the activities of market actors with the attendant build-up of leverage and financial risks in the private sector. Furthermore, this approach favoured the phenomenon known as 'intellectual capture'. That is to say, the then-dominant regulatory approach that blinded policy-makers and regulators to the emerging risks and even led them to rule out the possibility that a major financial crisis in large advanced economies was likely

(IEO 2011). In short, the pre-crisis dominant paradigm is certainly among the contributing causes that led to the crisis—a failure that has opened the door to a profound rethink in several areas.

Indeed, as the world economy has succumbed to stress, so also have many of the old pre-crisis certainties. For example, the crisis has shaken the belief that central banks should focus on price stability and ignore the build-up of credit bubbles; that the main source of financial instability lie in emerging market economies; that these same economies can be decoupled from what goes on in the advanced world; that market discipline, transparency and microprudential regulation are sufficient policy tools to ensure financial stability; that a monetary union can exist without fiscal coordination; and that the IMF's primary role should be that of monitoring over the Chinese exchange rate policy. The crisis also opened to reexamination the principles that had guided mainstream development economics over the past decades, from the role of governments in the markets to the strategies for poverty reduction and business competitiveness (Canuto and Giugale 2010).

Does this mean that we are witnessing a paradigm change? It is probably too soon to tell. Nevertheless, the ongoing contestation has the potential to reshape the contours of global economic governance. However, the ultimate outcome of this battle will be decided by the unstable, dynamic relationship that links together players, power and paradigms.

III. Plan of the Book

The purpose of this handbook is to provide accessible and timely analyses of shifts in players, power and paradigms within distinct issue areas and institutional arenas of global economic governance. That is, we take a holistic approach to the study of global economic governance that aims to bring to the surface the spill-over effects within and between the three Ps. The Handbook thus seeks to advance our understanding of the interconnectedness that stands at the core of the architecture of global economic governance.

We have organized the book around three major pillars of global economic activity: trade, finance and money, and development. Each of these three sections is introduced by a contribution that examines the main features of governance in the specific area of economic activity. Particular attention is here devoted to the historical trajectory through which the governance of trade, finance and development has been shaped over time. Rorden Wilkinson's chapter (Chapter 2), for instance, sheds light on the institutional evolution that led to the WTO creation. In doing so, he challenges the conventional view according to which the global trade regime is the result of tenacious international efforts to pursue peace through the build-up of solid and mutually beneficial trade relationships. Rather, Wilkinson submits, the global trade regime reflects a particular set of global power relations and its institutional design was mainly developed to pursue the national interests of its founding and most dominant members. In introducing the finance and money section, Randall Germain (Chapter 7) explores the evolution of global financial governance by shedding light on the relationship between private institutions and state agencies and between domestic and international levels of authority. His analysis reveals that the roots of today's financial governance can be traced back to the late 19th century. Germain also emphasizes that the evolution of global financial governance is closely related to the evolution of financial institutions and their activities, together with the development of relations among state-led regulatory institutions such as central banks. Furthermore, over the 20th century, global financial governance has progressively encompassed an international element made up of the relations among central banks and other regulatory agencies, along with the creation of specialized international financial institutions. As for the evolution of the global development regime, David Williams illustrates and explains the main changes that have taken place in the provision of aid to developing countries (Chapter 16). Specifically, Williams draws attention to the roots of the international development regime by shedding light on the role played by the United States since the end of the Second World War and the transformation of the developmental paradigm. Aid was indeed seen as an important instrument in the foreign relations of the United States in the context of its broader ambition to create a relatively open and prosperous international economy and in the context of Cold War competition. These motivations animated not only the US foreign aid activity but they also provided a key driver for the institutionalization of the provision of development aid with the creation of bilateral and multilateral agencies.

These three chapters well capture some of the specificities of governance in trade, finance and development respectively. In spite of these specificities, however, these introductory chapters share a number of important insights that are crucial to the understanding of the evolution of global economic governance at large. Indeed, each of the three chapters points to the increasing plurality of players that is involved in governance decisions. And even when states still play a predominant role, as is the case in Wilkinson's and William's chapters for instance, the proliferation of competing actors including international institutions, NGOs and private actors is a phenomenon that is difficult to ignore. Power asymmetries are another element that all authors emphasize in their chapters. They can be conceived as 'asymmetries of opportunities' (gains are not equal for all participants as Wilikinson suggests) or as an uneven distribution of power resources (as is the case in Germain's account). Another cross-cutting theme regards the path-dependent evolution of global economic governance in that previous institutional developments always affect later ones. For instance, discussing the 19th century GFG, based around hauté finance, Germain notes that 'while there is scholarly debate about the efficacy of this essentially private form of governance, there can be no doubt that it formed the essential bedrock upon which later attempts to extend and entrench global governance were built'. The transformations of paradigms and crisis narratives are key to the developments in global economic governance. Crisis and change are indeed intertwined in the evolution of global economic governance. And a crisis narrative can even be considered as necessary condition to create 'momentum' behind the evolution of global governance (Wilkinson in this volume).

The general trends in GEG identified by Wilkinson, Germain and Williams are then further expanded and specified in the single empirical chapters that make up this handbook. Each chapter is indeed designed to provide an overview of the major principles, rules, norms and formal and informal institutions that have governed international economic activity within the issue areas of trade, finance and money, and development. In their examination, the contributing authors tackle the driving questions regarding patterns of continuity and change in the key players, power and paradigms and how they are related to crises of legitimacy, relevance and effectiveness.

In Chapter 3, Robert Wolfe investigates an important dimension of the WTO work, namely the promotion of transparency in trade policy. Providing an overview of the way in which transparency has developed over time, the author highlights the efficiency challenges that this development entails. Indeed, transparency can be conceived as a double-edge sword: it can act as a 'disinfectant' but it may also undermine the privacy that is essential to negotiations and hinder the process of liberalization.

In Chapter 4, Eugenia da Conceição-Heldt examines one of the key players in the global trade regime, namely the European Union, as well as the impact of EU preferences and behaviour on the global trade regime. Focusing on the EU's strategy to rely on regionalism and bilateralism, she highlights the risk of fragmentation in the global trade regime deriving from the erosion of the WTO principle of non-discrimination or reciprocity.

Chapter 5 is devoted to the exploration of the governance of intellectual property. Here, Susan Sell captures the key features and challenges of the governance of this important area of economic activity. These features include the proliferation of forum, forum shopping and the increasing relevance of non-state actors, from private sector rights holders to public health advocates and crusaders for Internet freedom. This peculiar configuration of governance risks creating overlapping mandates across the institutions involved and creates disparities of access opportunities for the several players involved.

In Chapter 6, Kim Burnett and Jennifer Clapp evaluate the emergence and evolution of the governance of trade in global food and agriculture. In doing so, they bring to the surface a crucial shift in the key players, their sources of power, and perspectives on agricultural trade. In particular, they highlight a shift from agricultural trade dominated by state actors to a system where private actors have taken a leading role in shaping the rules and practices that govern the system. Private actors here refer to large-scale agricultural commodity trading firms and supermarket chains. This shift raises serious challenges to the legitimacy of the current agricultural trade regime, as attested by the movements that have emerged to resist the regime, such as the fair trade and food sovereignty movements.

Moving from trade to money and financial governance, Chapter 8 examines the origins of the G20 Leaders. Specifically, Lora Viola investigates the motivations that led to the creation of this body, the institutional design and governance functions of the G20. In doing so, she identifies the main effectiveness and legitimacy challenges that the G20 is likely to confront. In particular, she emphasizes how the very exclusivity and informality that characterize the G20 create problems of legitimacy and authority. At the same time, however, Viola highlights the advancements in GEG that the creation of the G20 has achieved. First, its membership reflects a growing realization that the balance of power among the central players in the global economy has shifted, and that existing institutions insufficiently reflect this shift. Second, she submits that the G20 institutional flexibility and its networked interaction with the international financial institutions reflect a leaner, more rapid reaction force than the cumbersome and entrenched IGOs of the post-WWII period.

In Chapter 9, Heather McKeen-Edwards and Tony Porter shed light on the complex and variegated relationship between private and public governance. In particular, they provide a survey of private governance mechanisms in global finance drawing attention to the governance roles played by business practices and infrastructures. These roles go beyond lobbying to include more complex collaboration with public authorities in the making of rules, the creation of sets of standards for industry, the ability to modify the conduct of firms and through educational programs and creating objects that are crucial to market interactions, such as model contracts or the coding of electronic systems. Assessing the different roles that private actors perform in global financial governance, McKeen-Edwards and Porter also find that, although the global financial crisis that began in 2007 did serious damage to the legitimacy of private governance, private governance ultimately retains a surprising degree of legitimacy.

In Chapter 10, Stefano Pagliari examines one of the newest governance bodies in global financial governance, namely the Financial Stability Board. In particular, he provides a historical overview of the FSB and examines the tasks it performs. In doing that, he shows that the role of the FSB has evolved from being primarily a coordination mechanism to an institution capable of exercising a greater independent impact over global economic governance. Similar to what Viola argues for the G20 Leaders, Pagliari notes that the expansion in the membership of the FSB and the incorporation of the main emerging countries has not fully addressed the legitimacy problems of this body. Furthermore, it is not clear yet how the FSB will be able to reconcile the expanded membership with the consensus-based decision-making process that governs the institution.

Chapter 11 focuses on one of the most long-standing institutions in global financial and monetary governance, namely the IMF. Here Steve Nelson concentrates on the changing role of IMF lending, also providing interesting insights into the changes that have taken place since the start of the global financial crisis. Examining the evolution of the Fund's financial assistance, the author draws attention to the importance of economic ideas on how to balance the current account and the lack of theoretical alternatives to the focus on public spending as a way to address external payment problems. And, although the record of its lending programs has been checkered at best, Nelson argues that this is not evidence of a legitimacy crisis. From his perspective, the IMF has been, and will remain, essentially the only game in town when global financial markets enter a state of turmoil.

In Chapter 12, Kevin Gallagher traces the history of governing global capital flows and presents a framework for understanding three distinct eras in the modern governance of global capital. His framework emphasizes how power, interests, ideas, and institutions interacted (and continue interacting) to shape each era in different combinations to yield different outcomes. Gallagher also concentrates on current developments suggesting that what has emerged since the global financial crisis is an incoherent mix of cooperative decentralization and strong international standards that may threaten the ability of nations to govern global capital effectively.

In Chapter 13, Ronen Palan and Anastasia Nesvetailova offer an examination of the major players shaping the regulatory debate on offshore and shadow banking, including the core industrialised countries and to a lesser extent China. Next to these state actors, however, a plurality of other non-state actors is also key to the development of regulation of this important area of economic activity. These include both private stakeholders, such as banks, hedge funds, and international professional services companies, and civil society organisations, such as the Tax Justice Network or Finance Watch. Palan and Nesvetailova also note that the political confrontation among these key actors is taking place in the absence of a clearly defined paradigm of regulation and governance.

Chapter 14 is devoted to the examination of the Eurozone debt crisis and its implications for GEG. In particular, Matthias Matthjis explores the main factors that contributed to the crisis. These include the diverging interests among the various players (including the EMU member states, the IMF, and the main EU institutions), the relative effectiveness or power of Europe's supra-national institutions and the battle of economic paradigms at the heart of the crisis in trying to determine how the Eurozone should be governed in the future. After looking at the medium-term prospects of Europe's single currency, the chapter also engages with the implications of the euro crisis for the global governance of finance and money in today's world economy.

In Chapter 15 Mihn Ly reflects on the dollar's status as the leading international reserve currency. In particular, he engages with the question of what the future holds for the dollar as compared to alternative reserve currencies. Adopting an institutionalist approach, which complements market, instrumental, and geopolitical perspectives on reserve currency status, the author suggests that neither the IMF nor the ECB currently have the institutional powers that the Fed has to support SDRs or the euro to sufficiently challenge the dollar.

As anticipated, the last substantive section of the Handbook is dedicated to development. Hence, a chapter dedicated to the development institution par excellence opens up this section. In Chapter 17, Matthew Winters and Shyam Kulkarni focus on the World Bank and its role as a lender of international development funds. Focusing on the 'governance and anticorruption' agenda, they show how this agenda emerged as the product of crises of legitimacy and effectiveness linked to the failures of structural adjustment lending during the 1980s and early 1990s. They also highlight the continued weaknesses of the GAC agenda. In their view, these weaknesses derive from the challenges of creating better governing institutions in the developing world; the disbursement culture that drives bureaucratic decisions within the Bank; and the unanswered question of to which constituencies the Bank should be responsive.

In Chapter 18 Stephen Browne reviews the challenges facing the UN development system (UNDS). In particular, he draws attention to the increasing fragmentation of the system (which, in turn, is closely related to its historical evolution), duplication of effort, and unhealthy competition. Browne also notes that the system remains heavily dependent on traditional developed country donors and their contributions. In spite of these shortcomings, the author suggests that change is unlikely to come soon, if at all. He argues that there is little motivation either from within or from outside to reform a system that, while not very effective in terms of development support, enjoys a comfortable relationship with the member states.

Chapter 19 is dedicated to the examination of regional development banks (RDBs) in global economic governance. Here Jonathan Strand describes both the historical contexts of the major RDBs and their internal governance. The author devotes particular attention to the investigation of the role that bureaucracies and ideational aspects play in the RDBs lending practices. Strand also sheds light on the response of the RDBs to the 2007–2008 financial crisis, arguing that the RDBs' crisis reaction reflects the close ties between these banks and other leading development institutions and ideas.

In Chapter 20, Michael Findley and Katherine Kitterman expand the research agenda of development by devoting attention to new players in the provision of aid. In particular, they focus on the non-DAC donors—that is to say, donors that do not belong to the OECD's Development Assistance Committee (DAC). Considering differences between DAC and non-DAC donors over time (1973–2009), by region of recipient, and by aid sector, the authors highlight how non-DAC donors have grown in influence and have begun to pose a potential challenge to the traditional DAC approach. Indeed, these new donors offer alternative development models and may introduce competitive pressures into the aid market.

In Chapter 21, Tim Büthe and Cindy Cheng examine the role of private actors in raising, allocating, and implementing international development aid. With particular attention paid to transnational aid NGOs, the authors examine the sources of their power and influence and examine how ideas about development and aid have shaped the rise of these new players. In doing so, they identify the main challenges that the activities of these players entail. In particular, they identify serious accountability challenges in that donors' and local beneficiaries' ability to hold service providers accountable is limited.

Collectively, these chapters indicate that we are living an era of changes and tensions within the existing structures of global economic governance. First, the range of players involved in governance decisions has kept increasing over time, including both states and a huge variety of non-state actors. And even among states, the identity of relevant players is changing with the progressive rise of emerging market countries. Second, the sources of power have expanded to include both material and institutional resources, such as channels of access to decision-making processes. The fragmentation of governance in several areas of economic activity analysed here also reveals that some players are more powerful than others because they are able to exploit such institutional fragmentation. Finally, economic paradigms are evolving, but, interestingly, the pace and direction of their change is limited and constrained by the legacies of past ideas as well as by the governance mechanisms that are in place. As a result, rather than dramatic changes in how the global economy is governed, a common pattern that seems to be emerging from the case studies is a process of progressive adaptation and adjustments at the margins. It is also interesting to note that the case studies indicate that today's GEG is torn between opposing trends. For instance, if on the one the one hand the global financial crisis of 2007–08 has reaffirmed the importance of IMF lending, on the other hand, this process is undermined by the concomitant rise of financial regionalism both in Asia and Europe. Likewise, there is a growing tension between the regime on capital controls embodied by the IMF (which allows for the use of controls at least in principle) and the regime on controls under regional or bilateral investment treaties (that rule out the use of controls).

In order to make sense of all these emerging trends, the last chapter of this volume takes up a systemic perspective by examining the shifts in power, players and paradigms since 2008 in an effort to develop expectations for the future of global economic governance. Daniel Drezner thus identifies competing forces at play. On the one hand, he notes that the number of actors possessing ‘deterrent power’ has increased. This increases uncertainty about power and preferences, making policy coordination unquestionably harder. On the other hand, however, there is an incredible resilience in the paradigm that animates the international economic order. As Drezner notes, ‘At both the elite and mass levels, the demand for substantive alterations to the neoclassical economic paradigm has been relatively muted.’ As a result, since the start of the crisis, no alternative policy paradigm has emerged and the policy changes adopted thus far have been minor tinkering to the governance of the global economic order and have even reinforced the status quo. Drezner thus submits that, although the sources of disagreement have increased paralleling the rise of new players, disagreements about the social purpose of the global economic order has not.

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