



# The 16th H W Arndt Memorial Lecture

## The international financial architecture for the 21st century

Thursday 27 July 5.30-7pm

### Speaker

#### Professor Takatoshi Ito

School of International and Public Affairs,  
Columbia University

### Location

#### Common Room

University House, 1 Balmain Crescent  
ANU

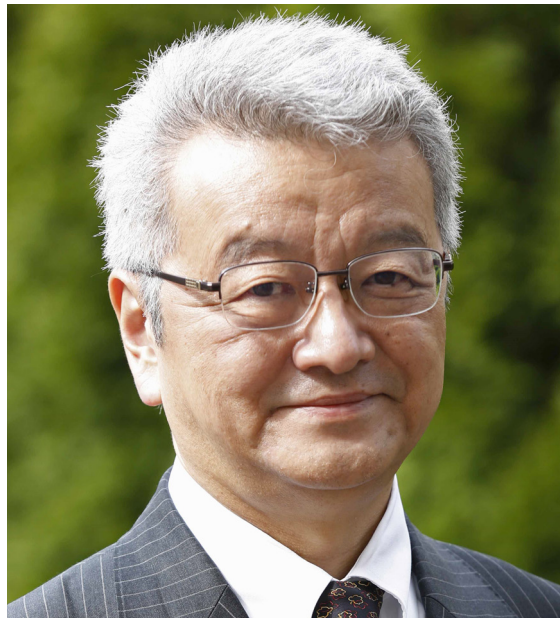
### Registration at

[Crawford.anu.edu.au/news-events](http://Crawford.anu.edu.au/news-events)

E [seminars.economics@anu.edu.au](mailto:seminars.economics@anu.edu.au)

This lecture is free and open to the public.

Refreshments available from 5-5.25pm.



### Presented by

Arndt-Corden Department  
of Economics

Crawford School of  
Public Policy

ANU College of  
Asia & the Pacific

The basic structure of the existing international financial institutions (IFIs)—most notably the World Bank and the International Monetary Fund (IMF)—was designed in July 1944. The governance and lending facilities of these Bretton Woods institutions are now under scrutiny, as the gravity of the global economy is shifting to Asia. Asian countries have been under-represented in their executive appointments and voting. Asian emerging market economies, especially those which were severely affected by the Asian currency crisis, still

have an 'IMF stigma'. They prefer self-insurance (piling up foreign reserves) to IMF precautionary arrangements. Partly due to impatience toward reforms in these institutions, China has established the Asian Infrastructure Investment Bank (AIIB). Asian countries have established a regional swap agreement called Chiang Mai Initiative Multilateralization (CMIM). The existing international financial architecture therefore has to be modified, if not marginalised, to accommodate the emergence of Asia. Three alternative scenarios for the 21st century will be presented: First, the existing structure would survive with minor modification and the global and regional architecture would continue to coexist. Second, the existing structure would suffer heavy modifications, so that Asians would take a lead in governance and decisions. Third, the existing structure would be fragmented to three or four independent regions, such as Asia, US and Europe.

Takatoshi Ito has taught at several universities both in the United States and Japan since finishing his PhD in economics at Harvard University in 1979. His distinguished academic and research appointments include past President of the Japanese Economic Association; Fellow of the Econometric Society; and Research Associate at the National Bureau of Economic Research. Ito has held senior positions in the IMF and the Japanese Ministry of Finance. He is the author of many books, including *The Japanese Economy*, and more than 60 refereed journal papers. In 2011 he was awarded Japan's National Medal with Purple Ribbon for excellent academic achievement.

*The support of the Indonesia Project is gratefully acknowledged.*