



## **Global response to the financial crisis**

*Shifts and changes in international systems*

### **William**

So can I ask each of you just to throw out a kind of broad thought about what the financial crisis and the responses to it tell us about shifts and changes in the international system more generally.

### **Hedley**

Yes well one thing we have said a fair bit in this discussion about the G20 which is now really the most important forum in which financial and economic matters are being discussed, no longer the G8 very much the North Atlantic and Japan, so in other words the discussion has moved much more widely and the participants in discussion are now much more diffuse in that the G20 is the – is the important forum for such discussions.

### **William**

And that's a signal of shifting economic weight and economic power?

### **Hedley**

Certainly yes.

### **William**

Simon.

### **Simon**

I think I would add to that I think that that general diffusion of economic power more widely is very important. I think another aspect of that is that the United States is no longer as it were the undisputed leader in these matters, so that the United States sought to prove a solution and indeed to provide an agenda for the G20, but actually was unsuccessful, that many of the things that the United States wanted to get out of the G20 meeting, they didn't get and again that relative limitation of American power in this context I think is an important feature of it.

### **William**

Grahame

### **Grahame**

Yeah I mean the – the big players clearly are the G2, the US and China, that's coming onto the picture very strongly and one suspects that you know a minimal amount of cooperation between these two, not to upset the apple cart at the international order is the order of the day and into the kind of future. Neither of the parties wants to disrupt that – the US wants to issue its debt and for China to hold it and China wants to – whereas its holding an enormous amount of – of US debt, wants that not to be devalued by a kind of collapse of the US currency. So they have got a minimal amount of cooperative agreement to maintain that system ticking over.....

### **William**

Okay thanks all very much for your contributions.