

Cambridge University Press

978-1-107-05314-4 - Minilateralism: How Trade Alliances, Soft Law, and Financial Engineering are Redefining Economic Statecraft

Chris Brummer

Index

[More information](#)

Index

- accords, non-binding. *See* soft law
- accountability, under soft law, 109–11
- adjustment, during currency crises
 - overview, 126–27
 - in United States, 127–33
- administrative checks, technocracy, 179–80
- administrative procedures, facilitating voice through, 186–88
- alliances. *See* trade alliances
- Andean Community, 61–62
- APEC (Asia-Pacific Economic Cooperation), 76
- arbitrage
 - and currency valuation, 26–27
 - regulatory, 90–91
- Article XXIV, GATT, 58–59
- ASEAN free trade agreement, 76
- Asia
 - contagious nature of preferential trade, 76–78
 - currency swaps in, 146–49
 - export-driven model of regional development in, 67–68
 - RMB internationalization, 154–59
 - RMB, rising importance of, 149–53
- Asian financial crisis
 - and dissatisfaction with economic multilateralism, 171–72
 - effects on soft law, 102–5
 - hoarding of US dollars after, 131–32
- Asia-Pacific Economic Cooperation (APEC), 76
- automotive industry, in Mexico, 69–70, 73–74
- baileuts, early Eurozone, 137–41
- balance of payments crises. *See* financial crises
- ballot-box legitimacy, 184–86
- banking markets
 - regulation of, 99–102
 - 2008 financial crisis, 105–7
- banking union, in Eurozone, 143
- bargaining costs
 - in Coase theorem, 5–6
 - lowering with institutions, 7
- Basel Committee on Banking Supervision, 99–100
- Basel I capital accord, 100–2
- Basel II capital accord, 196
- Basel III capital accord, 196
- Berlusconi, Silvio, 176
- best practices, as form of soft law, 96–97
- bimetallic standards, 25, 27–29
- blacklisting, 116–18
- borrowing. *See also* debt
 - reducing during currency crises, 126
 - Bretton Woods system
 - currency crises, fail-safe for, 126–27
 - dissatisfaction with, 170–73
 - dollar adjustment problem, 128
 - international financial regulation as missing in, 48–50
 - international law of money, 40–42
 - international trade, 42–44
 - overview, 39–40
 - revamping of institutions of, 103–5
 - weakening of, 44–48
- broadening geopolitical base, 180–84
- bureaucracies, pros and cons of, *See also* smart minilateralism
- Cameron, David, 184–85
- Canada
 - NAFTA, 75–76
 - in Trans-Pacific Partnership, 78
- capital accord, Basel I, 100–2
- capital controls, loosening of in China, 156

Cambridge University Press

978-1-107-05314-4 - Minilateralism: How Trade Alliances, Soft Law, and Financial Engineering are Redefining Economic Statecraft

Chris Brummer

Index

[More information](#)

212

Index

- capital flows, cross-border, 86–88.
 See also soft law
- capital, free movement of, 155–56
- capital requirements, for banks, 101
- cash reserves, dollar, 130–33
- Chiang Mai Initiative (CMI), 147
- Chiang Mai Initiative Multilateralization (CMIM), 147–49
- China
 - contagious nature of preferential trade, 76
 - RMB internationalization, 152, 154–59, 162–63
 - RMB, rising importance of, 149–53
- citizen participation, lack of in EU, 173
- Coase, Ronald, 4–6
- Cobden–Chevalier treaty, 33, 57
- codes of conduct, as form of soft law, 97
- coercion
 - behind FSAP system, 103–4
 - by hegemons, 11–12
 - in minilateralism, 81–82
- coinage, history of, 22–24. *See also* currencies
- collective action, 6
- collective bailouts, in Eurozone, 138
- Colombia, in Andean Community, 61–62
- colonies, in British mercantilism, 32–33
- commodity money
 - abandonment of gold standard, 35–37
 - first international monetary cooperation attempt, 27–29
 - gold standard overview, 29–32
 - history of, 22–24
 - systemic risk, 25–27
- comparative advantage, 54
- competitive forces unleashed through trade deals, 56
- compliance with soft law. *See* enforcement of soft law
- conquest, and spread of currency, 23
- Constitution, EU, 185–86
- Constitutional Court, German, 190–92
- convertibility, currency, 31, 45
- cooperation, global economic. *See* global economic cooperation
- core principles, as form of soft law, 96–97
- Corn Laws, Great Britain, 33
- counter-capitalist movement, 172–73
- courts
 - lack of international financial, 118–21
 - smart minilateralism, 188–92
- crime, financial, 89
- crises, currency, 125–27. *See also* financial crises
- cross-border capital flows, 86–88.
 See also soft law
- currencies. *See also* financial engineering
 - abandonment of gold standard, 35–37
 - first international monetary cooperation attempt, 27–29
 - gold standard overview, 29–32
 - history of, 22–24
 - international law of money, 40–42
 - SDRs as, 160–62
 - supranational, search for, 159–60
 - systemic risk, 25–27
- currency swaps
 - in Asia, 146–49
 - involving RMB, 152, 157
- customs unions
 - general discussion, 60–62
 - trade diversion related to, 73
- debasement, of euro, 142
- debt. *See also* financial crises
 - Greek, 136–37
 - defensive considerations, regional trade agreements, 75–78
- deregulation, role in financial globalization, 86–87
- developed countries
 - effect of Asian economic success on, 68
 - in FSAP system, 104
 - in 2008 financial crisis, 107
- developing countries
 - dissatisfaction with economic multilateralism, 172, 173
 - effect of Asian economic success on, 68–71
- diplomacy, financial, 167–69. *See also* global economic cooperation; smart minilateralism
- direct investment, securing through trade agreements, 68
- disciplinary mechanisms, under soft law
 - dispute resolution mechanism, lack of, 118–21
 - market discipline, 114–15
 - name and shame approach, 115–18
 - need for, 109–11
 - recommendations for future, 118–21
 - reputation, 112–14
- disciplinary power, GATT panels, 43
- discipline, relative absence of in Eurozone, 134–37
- dispute resolution
 - under CMIM, 149
 - international financial, 118–21, 122–23
- diversity, monetary, 25–27
- Doha Round, 47–48
- dollars, US. *See also* financial engineering
 - adjustment problem, 127–33
 - alternatives to, 163

Cambridge University Press

978-1-107-05314-4 - Minilateralism: How Trade Alliances, Soft Law, and Financial Engineering are Redefining Economic Statecraft

Chris Brummer

Index

[More information](#)

Index

213

- ECB. *See* European Central Bank (ECB)
- economic aid conditions, and dissatisfaction with economic multilateralism, 171–72
- economic cooperation, global. *See* global economic cooperation
- economic growth, in smart minilateralism, 167–69
- economic liberalization. *See also* trade alliances
- in Mexico, 69–70
- pros and cons of, 79–83
- and rules of origin, 74
- and treaties, 139
- economic multilateralism.
- See* multilateralism
- economic power, growing dispersion of, 50–52
- economic sanctions, 12
- ECSC (European Coal and Steel Community), 62
- Ecuador, in Andean Community, 61–62
- EFSF (European Financial Stability Facility), 139–40
- EFSM (European Financial Stability Mechanism), 138–40
- enforcement agreements, as form of soft law, 99
- enforcement costs
- in Coase theorem, 6
- lowering with institutions, 7–8
- enforcement of soft law
- dispute resolution mechanism, lack of, 118–21
- market discipline, 114–15
- name and shame approach, 115–18
- need for, 109–11
- recommendations for future, 118–21
- reputation, 112–14
- enforcement power, GATT, 43
- ESM (European Stability Mechanism), 140–41, 190–92
- EU. *See* European Union (EU)
- euro (Eurozone)
- ballot-box legitimacy, 185–86
- banking union, 143
- creation of, 133–34
- current state of, 141–45
- discipline, relative absence of, 134–37
- early bailouts, 137–41
- fiscal union, 142–43
- Europe. *See also* European Union (EU)
- free trade agreements, 33–34
- international monetary system, first attempt at, 27–29
- regionalism in, 62–63
- European Central Bank (ECB)
- creation of, 134
- crisis response measures, 136
- early Eurozone bailout, 137
- European Coal and Steel Community (ECSC), 62
- European Economic Community (EEC), 62–63
- European Financial Stability Facility (EFSF), 139–40
- European Financial Stability Mechanism (EFSM), 138–40
- European Stability Mechanism (ESM), 140–41, 190–92
- European Union (EU). *See also* euro (Eurozone)
- ballot-box legitimacy, 185–86
- broadening base of, 181–82
- contagious nature of preferential trade, 75–76
- history of, 62–63
- legitimacy problems in, 173
- macro-level analysis of, 193–94
- Eurozone. *See* euro (Eurozone)
- exchange rate stability, 155–56
- exclusivity, in minilateralism, 181
- finance law, versus trade law, 96
- finance ministers, participating in FSB, 193
- Financial Action Task Force (FATF), 116–18
- financial court, lack of international, 118–21
- financial crime, 89
- financial crises. *See also* 2008 financial crisis
- currency swaps, 146
- and dissatisfaction with economic multilateralism, 171–72
- early Eurozone bailouts, 137–41
- Eurozone's lack of ability to respond to, 136–37
- Greek, perceptions of EU after, 175–76
- financial diplomacy, 167–69. *See also* global economic cooperation; smart minilateralism
- financial engineering. *See also* smart minilateralism
- Asian currency swaps, 146–49
- currency crises, 125–27
- early Eurozone bailouts, 137–41
- Eurozone, absence of discipline in, 134–37
- overview, 19, 124–27
- RMB internationalization, 154–59
- SDRs, 159–62
- financial globalization
- drawbacks of, 88–92
- general discussion, 16, 49
- rise in, 86–88
- financial innovation
- role in financial globalization, 88
- and 2008 financial crisis, 106

Cambridge University Press

978-1-107-05314-4 - Minilateralism: How Trade Alliances, Soft Law, and Financial Engineering are Redefining Economic Statecraft

Chris Brummer

Index

[More information](#)

214

Index

- financial regulation, international, 48–50.
 See also soft law
- financial repression
 - in China, 152
 - and internationalization of currency, 151
- financial sector assessment program (FSAP), 103–5
- Financial Stability Board (FSB), 107–9, 193
- Financial Stability Forum (FSF), 102
- first mover disadvantage, in dollar adjustment problem, 130–31
- fiscal union, in Eurozone, 142–43
- foreign investment
 - in financial globalization, 86–88
 - securing through trade agreements, 68
- France, in efforts to create European currency, 28–29, 133–34
- free movement of capital, and internationalization of RMB, 155–56
- free trade
 - end of British hegemony, 34–38
 - and minilateralism, 53–54
 - multilateralism based on, 15
- free trade agreements
 - contagious nature of, 75–78
 - trade diversion related to, 73–75
- free trade mercantilism, 32–34
- FSAP (financial sector assessment program), 103–5
- FSB (Financial Stability Board), 107–9, 193
- FSF (Financial Stability Forum), 102
- G-20, 107–8, 182–83, 193
- G-8, 182
- gains, relative, and global economic cooperation, 8–10
- General Agreement on Tariffs and Trade (GATT)
 - institution-building quality of treaties, 95
 - international moorings of regional trade, 58–59
 - overview, 42–44
- geopolitical base, broadening in smart minilateralism, 180–84
- Germany
 - absence of discipline in Eurozone, 135–36
 - Constitutional Court decision regarding ESM, 190–92
 - efforts to create European currency, 133–34
 - Nazi trade policy, 38
 - switch to gold standard by, 28–29
- global currency. *See also* international monetary system
 - SDRs as, 160–62
 - search for, 159–60
- global economic cooperation
 - difficulty of achieving, 3–6
 - future of, 194–98
 - globalization and demise of American dominance, 14–17
 - hegemons and multilateralism, 10–14
 - institutions, role of in, 6–8
 - minilateralism, 17–21
 - overview, 1–3
 - relative gains considerations, 8–10
- global trade, 53–54. *See also* international trade; trade alliances
- globalization. *See also* financial globalization
 - changes in global economics, 1–3
 - and demise of American dominance, 14–17
 - difficulties related to global economic cooperation, 3–6
 - protests against, 172–73
- gold standard
 - abandonment of by most countries, 35–37
 - first attempt at international monetary cooperation, 27–29
 - general discussion, 29–32
 - in Great Britain, 29, 31–32, 35–36
 - in United States, 45, 128–29
 - versus silver standard, 25–27
- governance, global. *See* global economic cooperation
- government policies, in international monetary system, 125
- governmental leadership, EU decisions regarding, 175–77
- government-backed national currencies. *See* currencies; international monetary system; *specific currency by name*
- Great Britain
 - end of hegemony by, 34–38
 - free trade mercantilism, 32–34
 - gold standard in, 29, 31–32, 35–36
- Great Famine, Great Britain, 33
- Greece
 - ballot-box legitimacy, 185
 - early Eurozone bailout, 137–41
 - financial crisis in, 136–37
 - introduction into Eurozone, 135
 - perceptions of EU after crisis in, 175–76
- gunboat diplomacy, 11–12, 34
- hegemons. *See also* Great Britain; United States
 - globalization and demise of American dominance, 14–17
 - and multilateralism, 10–14
- Herstatt Bank, 99
- Hirshfeifer, Jack, 84–85
- hoarding, of dollars, 130–33

Cambridge University Press

978-1-107-05314-4 - Minilateralism: How Trade Alliances, Soft Law, and Financial Engineering are Redefining Economic Statecraft

Chris Brummer

Index

[More information](#)

Index

215

- housing market, 2008 financial crisis, 105–7
- Hu Jintao, 154
- IMF (International Monetary Fund)
 - Asian financial crisis, 171–72
 - changed role of, 45–46
 - and CMIM, 149
 - international financial regulation, 50
 - overview, 40–42, 44
 - revamping of, 103–5
- import substitution, in Latin America, 63–66
- industrialized nations. *See* developed countries
- industry, and regionalism in Latin America, 63–66
- informal organizations, in soft law, 93–94
- information costs
 - in Coase theorem, 5
 - lowering with institutions, 7
- information technology
 - and globalization, 16
 - role in financial globalization, 87
- information-sharing agreements, as form of soft law, 98
- innovation, financial
 - role in financial globalization, 88
 - and 2008 financial crisis, 106
- input legitimacy, smart minilateralism, 180–84
- institutions. *See also specific institutions by name*
 - built by treaties, 95
 - in global economic cooperation, 6–8
 - limitations of, 8–9
 - regulatory reform after crisis of 2008, 107–8
 - in soft law, 93–94
- Inter-American Association of Securities Commission, 100
- interest rates
 - and balance of payments deficits, 31
 - Great Britain's raising of after Wall Street crash, 36
- International Association of Insurance Supervisors (IAIS), 204–5
- international courts, in smart minilateralism, 188–89
- international currency. *See also* euro (Eurozone); financial engineering
 - SDRs as, 160–62
 - search for, 159–60
- international economic cooperation, focus on by United States, 38–40
- international economic diplomacy. *See* global economic cooperation; smart minilateralism
- international financial court, lack of, 118–21
- international financial regulation, 48–50. *See also* soft law
- international law of money, 40–42, 45–46
- International Monetary Fund. *See* IMF (International Monetary Fund)
- international monetary system
 - Asian currency swaps, 146–49
 - currency crises, 125–27
 - dollar adjustment problem, 127–33
 - early Eurozone bailouts, 137–41
 - euro, creation of, 133–34
 - Eurozone, absence of discipline in, 134–37
 - first attempt at, 27–29
 - new forms of cooperation, 162–64
 - overview, 124–27
 - RMB internationalization, 154–59
 - RMB, rising importance of, 149–53
 - SDRs, 159–62
- International Organization of Securities Commissions (IOSCO), 100
- international organizations, in soft law, 93–94. *See also specific organizations by name*
- international relations, Coase theorem in, 4–6
- international trade. *See also* trade alliances
 - in Bretton Woods system, 42–44
 - weakening of, 46–48
- International Trade Organization (ITO), 42–43
- international treaties, lack of in soft law, 94–95
- internationalization
 - of currency, 150–52
 - of RMB, 152, 154–59, 162–63
- interpretation, by international courts, 189
- intersystemic nature of economic statecraft, 192–94
- investment
 - financial globalization, 86–88
 - foreign direct, securing through trade agreements, 68
- IOSCO (International Organization of Securities Commissions), 100
- Italy, EU decisions regarding, 175–77
- ITO (International Trade Organization), 42–43
- Japan
 - Basel I capital accord, 101–2
 - in Trans-Pacific Partnership, 77
- Kessler, Martin, 158
- Khanna, Parag, 3

Cambridge University Press

978-1-107-05314-4 - Minilateralism: How Trade Alliances, Soft Law, and Financial Engineering are Redefining Economic Statecraft

Chris Brummer

Index

[More information](#)

216

Index

- Latin America
 reformed trade schemes in, 66–67
 regionalism in, 63–66
- Latin Monetary Union (LMU), 27–29, 136
- legal basis for Eurozone bailouts, 139–40
- legitimacy, in smart minilateralism
 broadening geopolitical base, 180–84
 courts, 188–92
 dissatisfaction with economic
 multilateralism, 170–73
 EU's problems with, 173
 future of, 195–98
 macro-level, 192–94
 overview, 165–66, 169–70
 voice, facilitating, 186–88
 voting, importance of to, 184–86
- liberalization. *See also* trade alliances
 in Mexico, 69–70
 pros and cons of, 79–83
 and rules of origin, 74
 and treaties, 139
- LMU (Latin Monetary Union), 27–29, 136
- The Logic of Collective Action* (Olson), 6
- macroeconomics. *See* international monetary system
- macro-level legitimacy, in smart minilateralism, 192–94
- Madoff, Bernie, 89
- managing minilateralism. *See* smart minilateralism
- market discipline, in enforcement of soft law, 114–15
- Memoranda of Understanding (MOUs), 98
- mercantilism, free trade, 32–34
- Mexico, and NAFTA, 68–71, 75–76
- MFN (most favored nation) treatment, 33–34, 56–58
- middle ages, economic, 52
- minilateralism. *See also* financial engineering; smart minilateralism; soft law; trade alliances
 under GATT, 58–59
 global economic cooperation, 17–21
 overview, 1–2
 pros and cons of, 79–83
- monetary sovereignty, and internationalization of RMB, 155–56
- monetary systems. *See also* financial engineering; international monetary system
 end of British hegemony, 34–38
 first attempt at international cooperation, 27–29
 gold standard, 29–32
 history of, 22–24
 international law of money, 40–42
 systemic risk, 25–27
 money, international law of, 40–42, 45–46
 money laundering, policies fighting, 116–18
 monitoring international finance.
 See enforcement of soft law
- Monti, Mario, 176–77
- most favored nation (MFN) treatment, 33–34, 56–58
- MOUs (Memoranda of Understanding), 98
- multilateralism
 changes in global economics, 1–3
 dissatisfaction with, 170–73
 end of British hegemony, 34–38
 first attempt at international monetary cooperation, 27–29
 free trade mercantilism, 32–34
 future of, 50–52
 globalization and demise of American dominance, 14–17
 gold standard, 29–32
 and hegemons, 10–14
 in international finance, 163–64
 international financial regulation, 48–50
 international law of money, 40–42
 international moorings of regional trade, 56–59
 international trade, 42–44
 overview, 22–24
 pros and cons of minilateralism versus, 79–83
 rise of minilateralism, 17–18
 systemic risk, 25–27
 United States, focus on international economic cooperation by, 38–40
 weakening of, 44–48
- multipolar monetary system, 163–64
- NAFTA (North American Trade Agreement)
 defensive considerations, 75–76
 Mexico's approach to, 68–71
 rules of origin, 73–74
 name and shame approach, in enforcement of soft law, 115–18
- national money, history of, 24–27.
 See also currencies; international monetary system
- negotiation costs
 in Coase theorem, 5–6
 lowering with institutions, 7
- neighboring countries, trade deals between, 55. *See also* trade alliances
- non-binding accords. *See* soft law
- non-compliance under soft law.
 See enforcement of soft law
- non-discrimination
 in minilateralism, 82–83
 in multilateralism, 56–58

Cambridge University Press

978-1-107-05314-4 - Minilateralism: How Trade Alliances, Soft Law, and Financial Engineering are Redefining Economic Statecraft

Chris Brummer

Index

[More information](#)

Index

217

- North American Trade Agreement.
 See NAFTA (North American Trade Agreement)
 “notice-and-comment” procedures, 186–88
- Olson, Mancur, 6
 organizations, in soft law, 93–94.
 See also specific organizations by name
- panels, GATT, 43
 panopticon prison model, 118–19
 Papademos, Lucas, 175
 Papandreou, George, 175–76
 par-value system, IMF, 40–41
 peer reviews
 under FSB leadership, 108–9
 recommendations for future, 122–23
 thematic, 108–9
- Peru, in Andean Community, 61–62
 policies, smart minilateralism, 166–69
 policymaking, EU, 174
 politicians, EU decisions regarding, 175–77
 power
 economic, growing dispersion of, 50–52
 and multilateralism, 10–14
 preferential trade agreements. *See also* trade alliances
 contagious nature of, 75–78
 overview, 60
 “The Problem of Social Cost” (Coase), 4–6
 property rights, in Coase theorem, 4, 5
 protectionism
 in Asia, 67–68
 and trade diversion, 72–73
- rational choice models of state
 behavior, 4–5
 real estate market, 2008 financial crisis, 105–7
 regional trade deals
 contagious nature of preferential trade, 75–78
 first wave of, 62–66
 international moorings of, 56–59
 overview, 53–56
 pros and cons of, 79–83
 reform of, 66–71
 trade diversion, 71–75
 and treaties, 139
 types of, 60–62
 regionalization, monetary. *See* financial engineering
 regulation, international financial, 48–50.
 See also soft law
 regulatory competition, 91–92
 relative gains considerations, global
 economic cooperation, 8–10
 renminbi. *See* RMB (renminbi)
 reports, as form of soft law, 97–98
 representational legitimacy, smart minilateralism, 180–84
 repression, financial
 in China, 152
 and internationalization of currency, 151
 reputation, in enforcement of soft law, 112–14
 reserve currency, SDRs as, 160–62
 reserves, dollar, 130–33
 riots
 due to dissatisfaction with economic multilateralism, 172–73
 in Seattle, 47–48, 172
 RMB (renminbi)
 internationalization of, 152, 154–59, 162–63
 rising importance of, 149–53
 rules of origin, trade diversion related to, 73–75
- sanctions, economic, 12
 savings glut, dollar, 130–33
 SDRs (Special Drawing Rights), 159–62
 Seattle riots, 47–48, 172
 securitization, loan, 105–7
 shaming, in enforcement of soft law, 115–18
 silver standard countries
 first attempt at international monetary cooperation, 27–29
 overview, 25–27
 switch to gold standard, 29–30
 Single Market Program, EU, 75–76
 smart minilateralism
 broadening geopolitical base, 180–84
 courts, 188–92
 dissatisfaction with economic multilateralism, 170–73
 EU’s legitimacy problems, 173
 future of, 194–98
 legitimacy, 165–66, 169–70
 macro-level legitimacy, 192–94
 objectives and tools, identifying, 166–69
 overview, 165–66
 voice, facilitating, 186–88
 voting in, 184–86
 soft law. *See also* smart minilateralism
 currency swaps, 146–49
 dispute resolution mechanism, lack of, 118–21
 drawbacks of globalization, 88–92
 effects of Asian financial crisis, 102–5
 enforcement of, need for, 109–11
 financial globalization, 86–88
 forms of, 96–99
 market discipline, 114–15
 name and shame approach, 115–18
 origins of, 99–102

Cambridge University Press

978-1-107-05314-4 - Minilateralism: How Trade Alliances, Soft Law, and Financial Engineering are Redefining Economic Statecraft

Chris Brummer

Index

[More information](#)

218

Index

- soft law (*cont.*)
- overview, 18–19, 84–86
 - recommendations for future, 121
 - regulatory reform after crisis of 2008, 107–9
 - reputation, power of, 112–14
 - 2008 financial crisis, 105–7
 - versus traditional international economics, 92–95
- South America
- reformed trade schemes in, 66–67
 - regionalism in, 63–66
- sovereign affairs of member states, EU
- decisions regarding, 175–77
- Special Drawing Rights (SDRs), 159–62
- Stability and Growth Pact, Eurozone, 135
- standards
- creation of by hegemons, 13
 - as form of soft law, 96–97
 - under G-20/FSB leadership, 108
 - for international finance, 121–22
 - regulatory, under minilateral agreements, 82–83
- Standards and Codes Initiative, 102
- Standing Committee on Banking Regulations and Supervisory Practices, 99–100
- Stanford, Allen, 89
- states, role of in soft law, 92–95
- sterilization, 152–53
- stock exchanges, in China's internationalization of RMB, 156
- strategic alliances. *See* trade alliances
- strategy, in smart minilateralism, 166–69
- subprime crisis. *See* 2008 financial crisis
- Subramanian, Arvind, 158
- subsidizing of multilateral systems, by hegemons, 14
- super-firms, institutions as, 8
- supply chain economics, 68
- supranational currency. *See also* euro (Eurozone)
- SDRs as, 160–62
 - search for, 159–60
- surveillance, international financial
- under G-20/FSB leadership, 108–9
 - importance of, 118–19
 - recommendations for future, 118–21
 - under reformed Bretton Woods institutions, 103–5
- swaps, currency
- in Asia, 146–49
 - involving RMB, 152, 157
- systemic risk, in monetary systems, 25–27
- tactics, smart minilateralism, 166–69
- tariffs
- after abandonment of gold standard, 37
 - in customs unions, 60–62
 - GATT, 42–44
 - in preferential trade agreements, 60
 - trade diversion, 71–75
- tattle-tale diplomacy, 115–18
- technocracy. *See also* smart minilateralism
- and minilateral modesty, 196–97
- technology, role in financial globalization, 87
- territoriality, and financial globalization, 90–91
- tools, smart minilateralism, 166–69
- TPP (Trans-Pacific Partnership), 76–78, 83
- trade. *See also* trade alliances
- end of British hegemony, 34–38
 - international, in Bretton Woods system, 42–44
 - international, weakening of, 46–48
 - mercantilism, 32–34
- trade alliances. *See also* smart minilateralism
- contagious nature of preferential trade, 75–78
 - first wave of, 62–66
 - international moorings of regional trade, 56–59
 - overview, 18, 53–56
 - pros and cons of, 79–83
 - reform of, 66–71
 - trade diversion, 71–75
 - and treaties, 139
 - types of, 60–62
- trade balance deficits, 30–31
- trade barriers, overcoming through trade deals, 54–55, 56
- trade diversion, from trade alliances, 71–75
- trade law, versus finance law, 96
- trade settlement currency, RMB as, 156
- transaction costs
- in Coase theorem, 5–6
 - lowering with institutions, 6–8
- Transatlantic Trade and Investment Partnership (TTIP), 79, 83
- Trans-Pacific Partnership (TPP), 76–78, 83
- transparency, in international finance, 118–21
- treaties, lack of in soft law, 94–95
- Treaty of Maastricht, 134–35
- Turkey, blacklisting of by FATF, 117
- 2008 financial crisis
- general discussion, 105–7
 - macro-level analysis of reaction to, 192–93
 - regulatory reform after, 107–9
- unilateral actions by hegemons, as incentivizing multilateral coordination, 12–13

- United Kingdom. *See* Great Britain
- United States
 - Basel I capital accord, 100–2
 - dollar adjustment problem, 127–33
 - focus on international economic
 - cooperation by, 38–40
 - globalization and demise of American
 - dominance, 14–17
 - gold standard in, 45
 - NAFTA, 68–71, 73–74, 75–76
 - sterilization, 152–53
 - trade policy during World War II,
 - 38
 - in Trans-Pacific Partnership, 76–77
 - 2008 financial crisis, 105–7
 - waning influence of, 50–51
- valuation, of money, 26–27, 30
- value added test, under NAFTA, 74
- voice, facilitating in smart minilateralism,
 - 186–88
- voting, improving legitimacy through, 184–86
- Wall Street crash of 1929, 36–38
- Wallerstein, Immanuel, 11
- “Washington Consensus,” 66
- Wolf, Martin, 145
- World Bank, 103–5
- World Trade Organization (WTO)
 - creation of, 43–44
 - dissatisfaction with, 171
 - future of, 83
 - institution-building quality of treaties, 95
 - international moorings of regional
 - trade, 56–59
 - weak state of, 48
- World War I, effect of on British monetary
 - policy, 35
- World War II, effect of on economic
 - power, 38–39
- Zakaria, Fareed, 3