GROUP OF 78

2022 ANNUAL CONFERENCE REPORT

TRANSFORMING INTERNATIONAL FINANCE

Toward Economic, Social, and Planetary Justice

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TRANSFORMING INTERNATIONAL FINANCE: TOWARD ECONOMIC, SOCIAL AND PLANETARY JUSTICE

Overarching messages and recommendations

BY ROY CULPEPER

1. International finance takes many forms: it includes cross-border flows of private capital for long-term investment and short-term speculation; loans made by intergovernmental agencies such as the World Bank, other multilateral development banks, and the International Monetary Fund; trade credits provided to fund exports; and development grants provided to fund projects in poor countries. The current international financial system must be transformed because it is unstable and prone to debilitating crises; and because it exacerbates a host of social, economic and environmental problems. It must be transformed in order to arrest increasing inequality and to enable planetary survival.

2. Transforming finance, particularly at the international level, is imperative to support a just and equitable transition to a net zero carbon economy.

   2.1. This will require a “Bretton Woods II”: a radical repurposing of the international financial institutions (IMF and multilateral development banks), to support investment in sustainable and equitable growth and to facilitate deeper debt relief.

   2.2. Aggressive government intervention (e.g. providing public funding and enforcing strict regulations) is needed in all countries to address the risks that finance, both domestic and international, poses to the climate (by investing in fossil fuels and other activities that increase greenhouse gas emissions), and to effectively shield finance from risks it faces from the climate emergency (by becoming “stranded assets”). Government support will also facilitate a just transition for workers and communities dependent on the fossil fuel economy.

3. The existing currency reserve system, largely based on the US dollar, is deeply flawed. Developing countries are particularly ill-served as the system inhibits long-term investment and leads to unsustainable debt.

3.1. Nevertheless, more can be achieved through more judicious use of the current system, for example by recycling SDRs from rich to poor countries to support the latters' actions to deal with the climate emergency, and through substantial debt relief.

4. The financial system (banks, other financial institutions, pension funds, insurance companies, etc.) is largely private in most countries and as a result often does not meet public or social needs.

4.1. An expanded publicly owned banking and financial system would help to provide financial services to underserved sectors (e.g., municipal water in developing countries, post office banking and infrastructure financing in all countries).

5. Financial innovation, particularly in the form of cryptocurrencies, has been captured by speculative agents, and often serves criminal activities and the illicit needs of the underground economy. Financial innovation also risks the arrogation of private financial data by Big Tech giants.

5.1. Financial innovation should be enlisted by governments to support public policy objectives, for example through introducing central bank digital currencies (CBDCs), which could help serve the financial needs of underserved sectors and people and help democratize the financial system.

Keynote speaker Jim Stanford

Labour Markets, Climate change, finance and fair transitions

Rapporteurs: Susan Tanner, Paige Holland, Sophie Rideout

Introduction

Dr. Jim Stanford, Economist and Director of the Centre for Future Work, provided an analysis of achieving a just transition to a zero carbon society including the phasing out of Fossil Fuels and their related job losses. His work includes Canadian and Australian data but is applicable to other countries.

Stanford presented context to his focus on Climate change as it poses a fundamental threat to the well-being and security of people everywhere. Canada has a special responsibility to act, and quickly, for several reasons:

- Canadians are already suffering huge costs because of Climate Change - as are many parts of the world not responsible for Climate Change
- Canada is a rich country, that can well afford to invest in stabilizing the climate - for its own benefit and the world's.
- Canada is one of the worst greenhouse gas (GHG) polluters in the world with emissions far out of proportion to our population. (Canada has the third highest GHG production per capita of any of the 35 industrialized countries in the OECD.)

Yet Canada's Paris commitments are insufficient to reach the internationally agreed goal of limiting the rise in global temperatures to well below 2 degrees Celsius - which in itself still implies widespread damage and dislocation. Unfortunately, Canada is nowhere near even meeting its (insufficient) promised Paris targets.

It is relevant to mention here that those with vested financial interests in fossil fuels exploit people's fear of change to oppose policy reforms needed to best position Canda in a sustainable, carbon-neutral energy future. This hesitancy to act is further reinforced by large corporations globally who place profit over all other values (environmental or social).

Key Messages:

Despite the context, Stanford contends that the labour market transition from Fossil Fuels, as with many other transitions, can be accomplished without displacement or involuntary unemployment.

To do so it is necessary to: 1. stage the transition; 2. announce it well in advance; and, 3. implement it gradually. As well, a general macroeconomic commitment to full employment, which makes all labour transitions easier, is particularly crucial since addressing the climate crisis seems to feed growing misconceptions as to what is involved.

One misconception is that oil workers must be retrained and hired in the renewable energy sector, for example in manufacturing windmills. In reality the situation is far more complex. Firstly, many current oil workers are nearing the age of retirement and not looking for re-employment. Secondly many of their skills could lead them to a number of other existing jobs without substantial retraining. Thirdly, jobs in the fossil fuel sector have been shrinking over the last few years due to changes in the industry unrelated to specific government climate change policy.

It is undeniable that the world is transitioning away from fossil fuels. Fossil fuel jobs are going to disappear in Canada, whether we want it or not. Our choice is to manage that transition, avoiding severe hardship of individuals and communities, or else wait until far more painful and chaotic changes are forced upon us.

Stanford referred to his report, commissioned by Environmental Defence, which reviews international and national experiences with employment transitions, and proposes 10 principles to guide effective and fair transitions for workers and communities. These include: support for increased labour mobility, incentives for early retirement, income protections for affected workers, skill training and stronger representation for workers in negotiating transition plans.

In terms of the specific context for the fossil fuel industry in Canada:
- Direct employment in fossil fuel sector is relatively small: 170,000 jobs in 2019 or under 1% of total Canadian employment.
- Some of these declined under COVID and accompanied recession; however, meanwhile, there has been strong performance in the overall Canadian labour market.
- Fossil fuel jobs are distributed unevenly in Canada. There are 18 communities which may need some special help where fossil fuel jobs account for over 5% of total employment.

Stanford suggests Government action in gradually phasing out fossil fuels in a targeted, multi-year plan over the next 20 years. The Government could provide severance packages to older workers while allowing younger workers to move to another industry through training and re-education where necessary. By moving only 4,000 jobs per year, the Government could spend only $1 billion per year to transition 160,000 workers out of the sector.

Stanford placed a substantial amount of emphasis on the importance of protecting the livelihoods of the workers who would be transitioning, by:

- the creation of new jobs in renewable energy fields

- examining ways in which transferable skills of fossil fuel workers might be applied to other careers
- setting a timetable to facilitate mobility while minimizing lay offs
- provide funds for income support, transportation and housing to facilitate the transition

Policy Recommendations:

- That the Canadian Government create a clear, staged, plan to transition from Fossil Fuel production within a specified period (despite opposition from the oil lobby) and within it, announce a multi-year, transition plan for affected workers.
- The worker transition plan should provide funds for early retirement incentives for older workers and retraining for younger workers.
- To further support the transition, the Government should also provide funds to protect the livelihoods of transitioning workers with such programs as income support and moving expenses.
- This worker transition plan can be a model for other oil-producing or manufacturing countries affected by the transition to a zero carbon economy and perhaps also, in terms of adaptation assistance globally, to countries whose industries have been damaged by the impacts of Climate events

Keynote speaker Richard Kozul-Wright:

Transforming international finance: Towards a new Bretton Woods

Rapporteurs: Manfred Bienefeld, Karen Soriano Ley, Sophie Rideout

Key Messages

Urgent reform of the current international financial system is needed to "build back better" in the wake of the pandemic and in face of an increasingly existential environmental crisis. However, support for "building back better" is being largely ignored by governments and central banks focused heavily on deflationary measures to appease an unreformed global financial system.

The challenges are truly daunting:

- the need to "manage" the enormous debts that were incurred in preventing an immediate economic collapse;
- the need to mobilize the vast sums needed to finance the shift to a radically different energy economy;
- and the need to reverse the increasingly divisive and dangerous social, economic and political imbalances due to the deregulation of the global financial system.
- Furthermore, building back better has little chance of being realized as central banks double down on deflationary monetary policies that have proven so dysfunctional in the past.

The imbalances that need to be resolved include:

- "financialization" – with explosive growth of financial transactions and slow growth of productive investment;
- the high and rising levels of corporate concentration;
- rapidly rising levels of global debt;
- declining levels of public spending;
- the extreme volatility of net international capital flows to both poor and middle-income developing countries;
- Sharply increasing levels of inequality.

Recommendations

Reforming the Global Economic System

The world urgently needs a new version of Bretton Woods with revised priorities and procedures, capable of allowing the world to meet its current challenges. These reforms aim at three broad overarching objectives:

- Reform of the International financial system;
- The alignment of global trade and investment regimes;
- Increasing "development finance"

Immediate Recommendations:

Given that broad reforms will not be easily, or quickly, achieved, three sets of incremental changes "currently on the horizon," were also identified:

- **Increase IMF SDR allocations** (with greater scope for "recycling" from countries that do not need SDRs to poor countries confronting multiple crises)
- **Increase IMF quotas and adjust members' voting shares** (to better reflect new economic realities)
- **Increase capital allocations to MDBs** (Multilateral Development Banks)
- **Increase the "headroom" for MDB lending** (to enhance flexibility)
- **Strengthen and expand regional and national Development Banks** (to provide patient capital for long term, more strategic investments)
- **Reform the G20's "Common Framework"** (to help debt-distressed countries restructure debt and deal with protracted liquidity problems)
- **Reform debt stainability calculations** (to take better account of resource mobilization needs)

Canada's government should be actively promoting such reforms.

Keynote speaker Senator Rosa Galvez

Aligning Finance with International Climate Commitments

Rapporteurs: Bruce Campbell, Ryan Gray, Rebecca Pryce, Frances Bekking

Key Messages

The federal government commitment at COP 26 to reduce emissions 40% by 2030, and net zero by 2050—enshrined in law through the *Canadian Net-Zero Emissions Accountability Act*—has been sharply criticized as lacking the necessary action. This is reminiscent of past failures of federal governments to achieve their GHG reduction commitments.

The Glasgow Financial Alliance for Net Zero (GFANZ), mobilized by Mark Carney, was a centrepiece of COP26. It has assembled 450 leading financial institutions worldwide whose members have committed to managing their assets in line with achieving 1.5°C. However, these financial institutions have criticized the UN net zero standard setting body whose evaluation criteria they deem "unrealistic," and are threatening to leave. This has prompted widespread criticism that promises made by GFANZ members amounts to greenwashing.

Canada ranks as one of the largest emitters of GHGs among the OECD nations. The Big Five banks [RBC, TD, Scotiabank, BMO and CIBC] have loaned or invested over $900 million in fossil fuels since the 2015 Paris agreement. Of Canada's five largest banks, roughly 20 per cent of directors also serve on the boards of fossil fuel companies.

In the public sector, Export Development Canada provides providing oil and gas companies with considerable loan financing, loan guarantees, and insurance. Canada and Quebec pension plan investment boards hold billions of dollars in fossil fuel company investments.

Aggressive government intervention is needed address the risks that finance poses to the climate, and to effectively shield finance from risks it faces. Senator Galvez' Bill S-243, the Climate Aligned Finance Act, if adopted, is an important step in achieving this goal.

It would:

- Hold corporate directors, officers, and administrators accountable for meeting the companies' climate commitments.
- Require the federal Office of the Superintendent of Financial Institutions (OSFI) to include climate targets in its supervisory role.
- Mandate corporate climate action plans and targets with annual progress reports.
- Ensure that boards have the climate expertise they need and ensure no conflicts of interest.
- Base financial institutions' capital adequacy requirements on the climate risk produced by their business activities.

- Enable a *just* transition. towards sustainable development, production, and consumption which respects the rights of Indigenous Peoples, and other vulnerable groups and communities.

The legislation would amend existing laws for the following government organizations: Bank of Canada, Export Development Canada; Parent Crown Corporations, Office of the Superintendent of Financial Institutions, Public Sector Pension Investment Board, Business Development Bank of Canada, and the Canada Infrastructure Bank

Policy Recommendations

Given spiralling costs of climate-driven disasters and, the costs of building greater resilience, Governments can no longer square Canada's climate commitments with a financial system that continues to fund climate risk. The time for empty promises and incremental change is passed. Corporations and governments must be held accountable.

UN Secretary General Antonio Guterres said the April 2022 report by the Intergovernmental Panel on Climate Change revealed "a litany of broken climate promises" by governments and corporations,

To achieve the government's climate commitments, aggressive advocacy by citizens groups, NGOs, unions, farm groups and public intellectuals is required. Actions include contacting and demanding— federal, provincial, and municipal politicians, senators, senior officials in the relevant government organizations—take action to phase out GHG emissions and ensure robust climate adaptation. Advocacy should also should directly confront financial institutions as well as fossil fuel companies.

These efforts should also include demanding action on Senator Galvez' Bill S-243, the *Climate Aligned Finance Act*, which unfortunately languishes at first reading, to ensure its swift passage in the Senate, in the first instance, and getting it to committee for witness testimony and debate. It should then move forthwith to the House of Commons for passage and royal assent.

Aggressive action means phoning, writing, and demonstrating, testifying before parliamentary committees. It means supporting politicians who have advocated for GHG emissions phase-out in accordance with UN criteria; and demanding passage of Bill S-243.

PANEL 1: TRANSFORMING THE INTERNATIONAL CURRENCY SYSTEM

Speakers: Mark Plant And Matias Vernengo

Moderator: Eric Helleiner

Rapporteurs: Roy Culpeper and Karen Spring

Key Messages

- The backdrop to this panel is the inadequacy of the international currency reserve system, dominated by the US dollar for almost eight decades, despite many predictions of the end of its hegemony since the demise of the Bretton Woods system in the early 1970s. The longevity of the USD's hegemony is underpinned by the geopolitical and military power of the United States, but that is being challenged by the rise of China as an economic and military superpower. The challenge, while growing, is as yet remote, according to Vernengo.
- The current system is failing middle-income countries that are induced to accumulate large dollar reserves as an insurance policy against international instability, leading to a savings glut and inadequate investment. This illustrates a more general shortcoming of the current system in that reserves are used for monetary rather than financial purposes
- The current system is also failing low-income countries unable to pursue such an "insurance" strategy but in urgent need of resources for recovery from the pandemic, financing climate action, for debt relief, and for development generally. It was hoped that Special Drawing Rights, the reserve asset issued by the IMF, would help meet the needs of low-income countries. Some $650 billion in SDR was issued in 2021 to aid in recovery from the pandemic. However, under existing rules only 2 percent of SDRs are allocated to LICs, compared to 70 percent issued to high-income countries.
- Proposals are under discussion to recycle SDRs from high-income countries in order to augment IMF funding to low-income countries through the existing Poverty Reduction and Growth Trust, and through a newly created Resilience and Sustainability Trust.
- There is also potential, according to Plant, to leverage SDRs to augment lending to middle-income countries through the Multilateral Development Banks. In this way MDBs' lending could be augmented by between $3 and $5 trillion.

Policy Recommendations

- Leverage the power, development expertise, and position of the Multilateral Development Banks by allowing them to manage SDRs to augment their capital base and increase their lending to low- and middle-income countries recovering from the pandemic, the climate emergency, increasing food and fuel prices, and other crises.

- Allow for greater access to SDRs in order to address the global financial crises by changing the practice of holding SDRs as monetary rather than financial instruments.
- A substantial amount of grants, not just lending, is needed to address the global debt crisis in order to implement sustainable solutions to growing financial problems (although loans can be helpful). This requires greater efforts by donors to increase ODA and particularly grant aid.

PANEL 2: TRANSFORMING BANKING, MONETARY AND FISCAL POLICIES

Speakers: John Anderson, Susan Spronk, Heather Whiteside

Moderator: Peter Venton

Rapporteurs: Peter Venton, Francisco Correa, Haley Seguin.

Key messages

- In Canada, “public banks” are state-owned or controlled crown corporations that are involved in providing finance. They include the Bank of Canada, Farm Credit Canada, Export Development Bank, Business Development Bank of Canada, Canada Mortgage and Housing Corporation (CMHC), and the Canada Infrastructure Bank. Prior to 1968, they included Canada Post which provided basic banking services through post offices.

- The panel examined the rationale for expanding the scope of public banks to address the problems caused by neoliberal policies of deregulation of finance; by austerity in public infrastructure spending; and by reductions in taxes for wealthy and high-income earners.

- The five objectives of changing policies and roles of public banks are (1) to reduce inequality in income and wealth; (2) reduce financialization of the Canadian economy; (3) increase long term investment in public infrastructure to recover from under-investment over the past four decades; (4) increase expenditure for the transition to a low carbon green economy and (5) prevent future global financial crises of the type that central banks and government fiscal policies had difficulty managing in 2008-2009.

- Public Banks are an underused resource with great potential for financing public infrastructure to meet UN sustainable development goal (SDG) 6 for universal access to fresh water and sanitation facilities; and in Canada, for public housing.

- The Canada Infrastructure Bank is not (yet) one of these because it relies largely on private sector spending which is heavily focused on profitable short-term investments in public infrastructure and therefore 'light' on long-term capital investment in public infrastructure.

- Private commercial banks that receive government protection in the form of liquidity and partial solvency guarantees are essentially public-private partnerships that can lead to negative outcomes such as the 2008 financial crises that had to be resolved at huge cost to the US and other states.

- CMHC has substantial capital for financing public housing but it needs to be repurposed and restructured for this function

- CMHC can also provide a wider array of benefits like non-market income support for affordable housing that substantially reduces income inequality in Canada.

- Basic commercial banking such as provided by Canada Post prior to 1968 is more cost effective than banking provided by the big six private banks and it can reduce usurious interest rates of Pay Day loans.

- Canada Post banking could provide basic commercial banking in 1,200 rural communities in Canada that are not served by either banks or credit unions plus some "desert areas" in major cities where there are no banks or credit unions.

Policy Recommendations

- Continue to fund and expand the embryonic postal banking program that Canada Post is developing.

- Make Canada Post the sole proprietor of its Postal Banking initiative.

- Repurpose CMHC by adding a mandate for it to finance the construction and operation of new public housing that is affordable for all lower-income households who otherwise will be paying more than affordable rent.

- The Bank of Canada should be mandated to prohibit private banks from participating in collateral debt obligations, and more generally, in speculative and/or leveraged risky investments initiated by private financial firms.

PANEL 3:TRANSFORMING FINANCIAL INNOVATIONS

Speakers: Andrés Arauz and Ulrich Bindseil

Moderator: Mario Seccareccia

Rapporteurs: Mario Seccareccia, Michelle Hennessy, and Amélie Lauzon

Introductory Remarks:

The famous Austrian economist, Joseph Schumpeter, showed that, in a dynamic capitalist economy, technological change is inevitable. All new inventions and their follow-up entrepreneurial innovations can have very positive (or beneficial) spillover effects on society but also negative (detrimental) externalities, with this whole process being described as "creative destruction".

The **third** conference panel, titled "Transforming Financial Innovation", was about how policy can be devised to maximise the beneficial effects of financial innovations while protecting society from detrimental outcomes. The focus of the session was primarily on understanding the destabilising impact of financial innovations on our domestic and international payments system arising from the introduction of digital block chain technology, as embodied in cryptocurrencies. The emphasis was also on finding policy solutions, which would eliminate or, at least, significantly mitigate the detrimental effects of the meteoric rise of a parallel private cryptocurrency system that has emerged over the last thirteen years.

Cryptocurrencies are digital assets that people use either as a vehicle for speculative financial investment or as a means of payment primarily for purchases online. Hence, to use a crypto-currency you have to give up in exchange *bona fide* existing currencies, such as Canadian dollars, to buy virtual "coins" or "tokens" of a certain kind of cryptocurrency, and there are several varieties of these cryptos with different distinguishable features that cater to diverse strata of holders.

Although a cryptocurrency is a peculiar type of digital financial asset, it is potentially also an alternative form of payment created using encryption algorithms or blockchain technology. The use of encryption technologies means that a cryptocurrency functions both as a currency and as a virtual accounting system. Because of the requirements of the encryption process, the "mining" of these assets requires a lot of computer energy. All transactions are verified through a peer-to-peer network of computers that participate in the initial mining and verification/circulation process.

The oldest and largest of these cryptos is Bitcoin when, for instance, measured by market capitalisation. It was introduced in 2009 by some obscure anonymous inventor under the pseudonym Satoshi Nakamoto. Bitcoin has gone a long way since its launch in 2009. The price of Bitcoin rose from a fraction of a cent in early 2010 to reach a peak of about $69,000 USD in November 2021. Since then, it has sharply collapsed to roughly $16,500 USD as of November 27, 2022 after another crypto exchange, FTX, filed for bankruptcy with much of the crypto market seemingly in disarray as the market chaos continues. With a hard limit of 21 million Bitcoins to be mined in the case of Bitcoin, its scarcity value, as a "digital gold", was to ensure that the cryptocurrency would serve as a hedge against inflation. One will remember Canada's Conservative leader, Pierre Poilièvre, was promoting cryptos for Canadians as a way to "opt out" of inflation. However, over the last year the opposite is true since, as inflation has accelerated, crypto values have plunged, leading to huge capital losses to its holders.

We are told by its promoters that a Bitcoin derives its value in the same way as any currency does: by fulfilling the six characteristics of money. Those characteristics are: durability, portability, divisibility, fungibility, scarcity, and acceptability. But is it really money? The last characteristic is strongly in doubt since it is not generally acceptable as means of payment because it is not fungible, i.e., at par with, say, the ultimate liquidity, the Canadian dollar, and it is not legal tender. What if you want to buy a sandwich at a shawarma shop (as we saw with Conservative leader Pierre Poilièvre during his leadership campaign in 2022)? To use a cryptocurrency for transactions purposes, one has only two options: one can purchase from a business that accepts the cryptocurrency (e.g., the shawarma shop) or convert it back to dollars by dealing with online platforms by selling them in the crypto market. Because crypto currencies are not particularly efficient in carrying out generalized transactions and because of their obvious price volatility, they are of service to users primarily for speculative investment purposes. The only way to render them truly acceptable as means of payment would be to give up a country's national currency or, at least, to legislate that a cryptocurrency be considered at par with a country's own national currency and make the cryptocurrency legal tender, as two countries internationally have done in adopting the Bitcoin – namely El Salvador and the Central African Republic. The governments of both countries adopted Bitcoin as legal tender just before the cryptocurrency market began to collapse in 2021, with obvious destabilising consequences on these countries' public finances over the last year.

Despite the marketing and promotion of cryptocurrencies for the purpose of carrying out normal commercial transactions, it is a means of payment that also fits primarily the needs of the illicit or underground economy since, with block chain technology, these transactions are not normally traceable. Indeed, it has become the wild West of financial speculation and illicit financial behaviour. Although digital currencies are convenient, particularly in certain developing and emerging countries with limited access to banking services, in response to these various problems some central banks have taken interest and are slowly introducing central bank digital currency (CBDC). Unlike private cryptocurrencies, a CBDC would serve as legal tender and would be otherwise perfectly fungible vis-à-vis existing domestic currency since transactions would clear within the official payments system just as it would, for instance, with a debit card transacting from one's bank deposit, in this case, at the central bank or an agency of the central bank. There are now some CBDCs and a good recent example is China's digital currency, which goes by several names, such as the digital yuan or the e-Renminbi (e-RMB).

There were two speakers, Andrés Arauz and Ulrich Bindseil.

Summary of Dr Andrés Arauz's presentation:
Andres Arauz, the lead architect behind the world's first CBDC at the Central Bank of Ecuador, explained why we should adopt a CBDC, what the potential risks are if we do not do so, and anticipated some challenges of implementing a digital currency via a Central Bank. He first set the stage by explaining that open banking offers a financial way forward in an ever-increasing technological world, as it will allow users to have more flexibility, accessibility and authority over their financial data. Yet, since this system requires a huge amount of data, there is a real risk that this data will be captured by the Big Tech companies who already have an outsized amount of personal data, such as Google, Microsoft, Amazon, Facebook and Apple and their Chinese counterparts. A CBDC would allow for such a market without risking the data being stored, manipulated and used outside of the domestic territory unwillingly, thus protecting against surveillance capitalism and ensuring financial sovereignty within FinTech.

Secondly, he explained that by implementing a CBDC, countries would be able to harness the energy, talent and entrepreneurial spirit that is now being poured into the speculative dimension of cryptocurrency. A CBDC would foster a framework to create productive societal initiatives, especially with regard to high-tech services in developing countries.

Thirdly, Arauz explained that since micro-payments are common in private banking, and most FinTech companies are based in the Global North, this creates a risk of capital flight. To avoid this, it is important to create national and regional CBDCs to allow citizens to use their own as the digital currency system develops. If citizens do not have access to their own CBDC, if allowed they could use the one of another country or regions, which then poses another risk of capital flight through currency substitution.

Fourthly, the data used for payment systems and financial transactions can be repurposed for research and development purposes. This would allow the data to become an input for the development of new financial services.

As an added benefit, Arauz explained that CBDC can democratise central banks by providing citizens with a direct link to their central bank, for example through an app where citizens can give direct feedback to the bank. This would put the central bank in the discussion of people it directly serves instead of keeping opaque the central bank's inner workings, thus making it more accountable to its citizens.

Lastly, CBDCs in developing countries can be used to safeguard personal data through zero-knowledge-proof technology. This would prevent personal data itself from being given to a central bank, thus ensuring individual sovereignty, all while enabling real-time data localisation. This last component is important as it can be paired with AI to help prevent tax evasion and faulty foreign exchange controls.

Summary of Dr Ulrich Bindseil's presentation:

The second speaker, Ulrich Bindseil, is the Director General of Market Infrastructure and Payments at the European Central Bank and plays a leading role on the CBDC project at the ECB. He first explained that CBDC is the answer to a future in which all payments will be digital; and that much like previously paper-based financial instruments, paper-form money will eventually fade out. He noted that because monetary payments are network functions with natural monopoly characteristics, relying on private financial options such as cryptocurrencies is a risk to financial stability and security. By offering citizens' access to central bank deposits through CDBC, central banks can maintain a role in the future economy and a safe and stable payment medium. Bindseil explained that using a CBDC is not as revolutionary as it may seem. Originally, central banks operated much like private banks, offering private deposits instead of, or in addition to, issuing bank notes. Such two-layer monetary systems have served societies well in the past, especially to ensure international strategic autonomy and to prevent abuse of market power.

Next, Bindseil took time to discuss the different ways that people may view CBDC. He compared fearful and dismissive views of CBDC with idealistic and pragmatic ones, and identified two possible philosophies on introducing CBDC. Firstly, the conservative philosophy views CBDC as a way to maintain and digitise the current monetary architecture made up of both commercial bank money and central bank money. Secondly, the revolutionary philosophy views CBDC as a move towards sovereign money, in which central bank money would crowd out commercial bank money. He noted that central bankers tend to prefer the first philosophy.

After this, Bindseil then dived into the details of the digital euro project. The digital euro would be issued by the European Central Bank and complement the paper euro. The goal of the project is to ensure that citizens and firms continue to have access to the safest form of money (central bank money) in the digital age, while allowing the Euro system to be prepared for the future and manage the potential risks of digital currencies.

Currently, the project is in a two-year investigation phase which will end in October 2023. Prior to this, the project was in an examination phase; after, the project will enter a potential realization phase followed by an issuance phase. The investigation phase explores possible design, infrastructure and distribution approaches and analyses whether these would meet users' needs and integrate successfully into the European retail payments market. This phase involves examining the legal issues related to issuing the digital euro and engages government, policy, industry and public stakeholders. In the end, the investigation phase will produce several deliverables such as documentation on end-user and technological requirements.

Finally, Bindseil concluded his discussion of the digital euro by noting the importance of adopting a proper business model and focusing on the interests of citizens. The project seeks to adopt a business model that encourages players in the retail payments industry to promote actively the use of the digital euro. The Euro system intends to do this in a way that places primacy on the interests of citizens. Practically, this means focusing on convenience, universality of use (one payment instrument to cover all purchases) and value-added features such as inclusiveness (i.e., accessible design, customer support and onboarding), privacy safeguards (implemented through legislative frameworks), and potential offline functionality.

Policy Recommendations:
In an ever-increasing digital world, panelists concluded that CBDC is the logical evolution of national currency. Instead of preventing financial innovations, the latter should be harnessed for the public good instead of mainly for speculative gain.

- The activity of cryptocurrency, in contrast, ought to be severely constrained. The vast majority of a nation's money supply is in the form of bank deposits, which, in the case of Canada, are partially protected by the Canada Deposit Insurance Corporation (CDIC). Allowing banks to engage in the cryptocurrency market can expose these banks to potential risks that can potentially compromise the very core of the Canadian payments system, not unlike what happened during the Global Financial Crisis of 2007-2009 just before the first appearance of cryptocurrencies. Hence, the banking sector should be completely insulated from the activities of the cryptocurrency market, with the latter relegated to what it is – a speculative activity that should be regulated just as we do for the stock exchange to prevent fraud and other illicit activities, including money laundering.

- All countries should consider adopting CBDCs: (1) to strengthen their monetary sovereignty and to compete with the private banking sector in delivering a more community-friendly means of payment system; (2) to avoid capital flight through currency substitution and tax evasion; (3) to prevent valuable talent towards productive activities rather than towards destabilising speculative activities; (4) to safeguard their citizens' personal data; and (5) to democratize central banks.

- Developing countries, in particular, should consider adopting a CBDC as a societal development strategy because: (1) the risk of capital flight is particularly salient to these countries; and (2) if they do not, they risk being used as experimental grounds for large corporations to implement digital currencies and harness financial data.

- CBDC frameworks should be designed: (1) to be inclusive, convenient and innovative; (2) to provide universality of use; (3) to be cost-free for citizens and low-cost for merchants and industry who profit from CBDC's existence in facilitating exchange; (4) to encourage adoption and promotion by the retail payments industry; (5) to protect users' privacy and data (i.e., through zero-knowledge-proof technology); (6) to include automatized processes to check for tax evasion and money laundering in real time; (7) to allow citizens a direct link to their central bank; (8) to offer value-added features; and (9) to facilitate future research and entrepreneurship (i.e., by including APIs, etc.).

- Policymakers must be much more proactive about digital money, including by: (1) engaging in a thorough investigation of their ideal CBDC scenario before moving ahead; (2) enacting policies to address the risks of capital flight through private digital currency, including stablecoins; (3) investing in big data and AI to enable regulation and enforcement of financial innovations; (4) introducing strong, proactive safeguards for citizens' financial data and privacy; and (5) promoting the democratisation of central banks.

- Compared to certain other central banks internationally such as the ECB, the Bank of Canada has been slow in researching central bank digital currency systems and, presently, there is still no timeline as to when to implement a CBDC for Canada. Perhaps this is because of political pressures from some of Canada's more conservative political leaders and because of the strong lobby from the chartered banks that wish to maintain a high degree of monopoly over the Canadian payments system. The Federal Government, through its Minister of Finance should ask that the implementation of CBDC be somewhat accelerated. The adoption of CBDC would be welfare enhancing for the whole community, while minimising the risk ensuing from the growth and expansion of these destabilising private cryptocurrencies in Canada.

"Transforming International Finance: toward Economic, Social and Planetary Justice".

An Outline of the Group of 78 Annual Policy Conference for 2022

Friday September 23: **Opening session**

Introduction and welcome: Roy Culpeper, Chair, Group of 78

10:00 am ET

Keynote: Jim Stanford, Centre for Future Work, "Labour Markets, Climate Change, Finance, and Fair Transitions".

Moderator: **Susan Tanner**

Discussions of employment transitions as we move toward a net-zero economy often are phrased in terms of "moving people" from fossil fuel jobs toward the new jobs that will be created as that transition proceeds: taking oilsands workers, for example, and hiring them (with retraining as needed) to manufacture windmills. This conception underemphasizes the multidimensional process of labour market adjustment that could facilitate effective transitions – so long as those transitions are staged, announced well in advance, and implemented gradually. The traditional assumption that we must find 'another job' (perhaps one in green energy activities) for every worker currently employed in a fossil fuel role is wrong, and makes the transition process more difficult than it needs to be. In fact labour market transitions are happening all the time. Harnessing those processes to facilitate a gradual movement away from FF work makes the task far more do-able, and could be accomplished without displacement or involuntary unemployment at all. This must be supported by measures to support retirement, relocation, and retraining, and by a general macroeconomic commitment to full employment (which makes all employment transitions easier). This narrative will be illustrated with examples from Canadian and Australian data.

11:00 am ET

Richard Kozul-Wright, United Nations Conference on Trade and Development (UNCTAD):" **Is a New Bretton Woods desirable—or possible? Reorienting Global Finance to Social and Ecological Goals**".

Moderator: **Manfred Bienefeld**

After the 2008–9 global financial crisis, reforms to promote stability, social inclusion, and sustainability were promised but not delivered. As a result, the global economic situation, marred by inequality, volatility, and climate breakdown, remains dysfunctional.

Now, the economic fallout from the Covid-19 pandemic offers us a second chance. Richard Kozul-Wright will argue that we must grasp it by implementing sweeping reforms to how we govern global money, finance, and trade. Without global leaders prepared to boldly rewrite the rules to promote a prosperous, just, and sustainable post-Covid world economic order – a Bretton Woods moment for the twenty-first century – we risk being engulfed by climate chaos and political dysfunction.

Kozul-Wright provides a blueprint for change that no one interested in the future of our planet can afford to miss.

12:30 ET In-person reception with lunch

2:00 pm ET

Keynote: Grace Blakeley, Tribune**: "How to Save the World from Financialization".**[1]

Host**: Jen Hassum**.

Moderator**: Angella MacEwen**

In the decade leading up to the 2008 financial crisis, booming banks, rising house prices and cheap consumer goods propped up living standards in the rich world. Thirty years of rocketing debt and financial wizardry had masked the deep underlying fragility of finance-led growth, and in 2008 we were forced to pay up.

The decade since has witnessed all kinds of morbid symptoms, as all around the rich world, wages and productivity are stagnant, inequality is rising, and ecological systems are collapsing.

Grace Blakeley's *Stolen: How to Save the World from Financialization* (2019) is a history of finance-led growth and a guide as to how we might escape it. More recently in *The Corona Crash* (2020) she examines how the pandemic will change capitalism. We have sat back as financial capitalism has stolen our

[1] Grace Blakeley had to withdraw from the conference shortly before it started. Instead, organizers screened an 11-minute video clip of a recent talk Blakeley gave on financialization. This was followed by a commentary and discussion led by Jen Hassum and Angella MacEwen

economies, our environment and even the future itself. According to Blakeley, we have an opportunity to change course. What happens next is up to us.

4:00 pm ET:

Keynote: Rosa Galvez, Senate of Canada: "**Aligning finance with international climate commitments".**

Moderator: **Bruce Campbell**

Most financial reform proposals in recent years have centered on disclosure schemes that aim to identify and quantify the financial risks of climate change for businesses, in the hope that market participants and capital flows evolve accordingly. Unfortunately, this has not happened, squandering precious time the planet doesn't have if we aim to attain the goal of limiting global warming to 1.5˚C above pre-industrial levels. This keynote will discuss the points of intersection between the financial system and our changing climate and will emphasize the opportunity to use legislation and regulation to align private financial flows with the country's stated emissions reductions targets. In March 2022, Senator Galvez, a pollution expert and independent Senator from Quebec, introduced the Climate-Aligned Finance Act which seeks to provide an emissions reduction reporting and planning framework for federally regulated corporations as well as hold the financial sector accountable for their financed emissions. The legislation also creates a new fiduciary duty for directors, addresses conflicts of interest, ensures boards have climate expertise, and other measures to protect the financial system from climate-related systemic risk.

<u>Monday September 26 at 12 Noon ET</u>:

Panel 1: Transforming the International Currency System.

From a system rife with volatility and prone to speculation, to one that strengthens domestic policy space and fosters shared prosperity**.**

Moderator: **Eric Helleiner**

Speaker: Mark Plant, Center for Global Development**:** "Future of the SDR"

In 2021, the IMF issued $650 billion worth of Special Drawing Rights to help countries face the financial challenges posed by the COVID-19 pandemic. While lower- and middle-income countries (LMICS) used the SDRS to increase monetary and fiscal space, the bulk of the SDRs sit unused at central banks of advanced economies. Efforts to recycle rich countries' SDRs to benefit LMICs have been slow. An IMF facility to receive SDRs has been established but is not yet operational. Efforts to recycle SDRs to multilateral development banks have been stymied. This "experiment" in increasing global liquidity has raised interest in the SDR as a global monetary instrument. Should the SDR be reformed or replaced by another global currency? Discussions center on when and how to make best use of global reserves and whether a mechanism for sharing reserves is worth nurturing to be able to confront future crises more effectively.

Speaker: Matias Vernengo, Bucknell University: "Future of the Dollar"

The presentation suggests that since the end of Bretton Woods the position of the dollar as the key global currency strengthened rather than weakened, in contrast to conventional wisdom. It will analyze the reasons and the evidence for that view, and discuss how the more recent geopolitical developments, with the rise of China, and the current ongoing war in Ukraine might affect the future position of the dollar.

<u>Tuesday September 27 at 12 noon ET</u>:

Panel 2: Transforming Banking, Monetary and Fiscal Policies.

Toward public institutions and policies that serve the national interest rather than international financial markets.

Moderator: **Peter Venton**

Speaker: Susan Spronk, University of Ottawa: **"**Public Banking and municipal - infrastructure"

Public banks are enjoying a modern-day resurgence in the financing for development agenda. Public banks have helped mitigate the global financial crisis of 2008-2009 and catalyze the much-needed financial investments needed to transition to a low-carbon, green economy. While there are over 900 public banks in the world, with US$49 trillion in assets, public banks have been largely underestimated as an important source of funding for municipal infrastructure. They have also been neglected by academic research and by mainstream policy organisations such as the World Bank. This presentation provides a brief history of public banking practices in the global North and South, drawing examples from the water and sanitation sector. It discusses the pros and cons of public banks as contested institutions in class-divided societies and assesses their potential for contributing to the financing needs of the Sustainable Development Goals related to water (SDG #6).

Speaker: Heather Whiteside, University of Waterloo: "Public Enterprise and the Future of Austerity"

In the wake of late twentieth century neoliberal privatization and state restructuring, the past few decades have been a time of 'new state capitalism' featuring expanded public finance and market intervention, made most evident through the international resurgence of state-owned enterprises utilized in varying ways by emerging market countries, within the liberal heartland, and amongst 'illiberal' countries ranging from China to the Gulf states. Within Canada alone, hundreds of Crown corporations exist at all levels of government, covering a wide swath of activities: banking, development, finance, gambling, energy, heritage, housing, insurance, land, liquor and lottery, mining, pensions, public works, research, telecommunications, and transportation. Focusing on activities related to banking, finance, insurance, and real estate, Whiteside explores how public ownership has been transformed through neoliberal ideals. The new state capitalism features public corporations that encourage the financialization of the state without necessarily improving other departments' bottom line or services for the public at large. The purpose and activities of public enterprise must be realigned to challenge fiscal restraint and clawbacks. Public enterprise could be repurposed to serve the broader public good by providing funds for social services to circumvent the (imminent) pressures of austerity, reconnecting development policies to fiscal policies, and funding public investment in national projects through revenue earned from ownership.

Speaker: John Anderson, Professional Institute of the Public Service of Canada, "Postal Banking in Canada"

Last year Canada Post began an experiment to introduce, in some areas of the country, some elements of postal banking. Is this an opening to bring back a full form of postal banking which existed in Canada from Confederation to the 1960s? And what should a full postal banking system look life and what could it do in a progressive economic, social and environmental sense as is the case with postal banks in many other countries? The speaker John Anderson is the author of several major policy studies for both the Canadian Union of Postal Workers and the Canadian Postmasters and Assistants Association on postal banking and is the author of the ground-breaking CCPA study ***Why Canada needs postal banking.***

Wednesday September 28 at 12 noon ET:

Panel 3: Transforming Financial Innovation.

Toward democratizing and regulating financial innovation and technology.

Moderator: **Mario Seccareccia**

Speaker: Andres Arauz, Citizen Revolution Movement, Ecuador: "Democratization of Fintech"

Innovation in financial technology is here to stay. There are risks of deepening privatization, deregulation and instability if the fintech agenda is not quickly disputed by progressive forces. Big Tech oriented "open banking" could entail delivering the payments and banking system to conglomerates such as the "GMAFIA" (Google, Microsoft, Amazon, Facebook, IBM and Apple). Cryptocurrencies could divert valuable talent, energy and entrepreneurial capital into a purely speculative business. The dollarization of cryptocurrency stablecoins risks a chronic retail-sized capital flight from developing countries. There are replicable alternatives available from developing country experiences. A Central Bank Digital Currency (CBDC)with an open innovation digital commons framework that stimulates locally pertinent and home-grown initiatives. An electronic Special Drawing Right (eSDR) coupled with a large and recurrent issuance of SDRs could be deployed immediately by the IMF SDR Department for the settlement of cross-border transactions which would recover the central banks' role in the regulation of financial flows, including the link among CBDCs. These measures would have a dynamic effect in the democratization of central banks, as citizens' daily experiences and concerns with a public utility would thus be ventilated publicly and processed politically. Financial regulators in developing countries cannot be decades behind the state of financial innovation and oblivious to currency substitution of domestic payment systems. Finally, to truly fulfill their mandates, governments and central banks have a duty to significantly invest in and coalesce a big data artificial intelligence digital commons for the regulation ("reg-tech") and enforcement ("sup-tech") of financial innovation (fintech), instability-inducing flows and illicit financial flows.

This presentation will briefly outline the risks and discuss developing-country experiences in India, Ecuador, China, Colombia, Paraguay and El Salvador.

Speaker: Ulrich Bindseil, ECB: “How Central bank digital currencies can effectively serve people”

Central bank digital currencies can be seen either as a natural evolution in view of the unstoppable digitalization of payments and the good reasons to preserve the role of the central bank money, or as a revolution which can change fundamentally the respective roles of central bank and commercial bank money to the benefit of the former. Actually, few parameters in the design of CBDC can make a difference on where to position it, i.e. closer to either a conservative or revolutionary innovation. The presentation will review both the fundamental choice between the two, as well as the parameters to direct CBDC in either direction. In any case, even taking the conservative attitude towards the role of CBDC, the importance of CBDC for citizens in a world of digitalised payments cannot be overestimated. Retail CBDC should be designed with the interests of citizens in mind and also address elements which are less in the focus of the private payment industry, such as privacy; being cost-free for citizens; low cost also for small merchants; offline functionality; inclusiveness. More generally, payments is a network industries in which easily few dominant players gain market power and will tend to exploit it, and the continued availability of modern central bank money to citizens limits the room for this. The presentation will moreover discuss in this context the case of the digital euro.

Friday September 30: **Wrap-up panel**

Thank you to our sponsors!

Transforming International Finance: toward Economic, Social and Planetary Justice”.

Group of 78 Annual Policy Conference for 2022

Biographies and headshots of Speakers and moderators as they appeared

Roy Culpeper, Chair, Group of 78

Roy Culpeper is an Honorary Senior Fellow of the University of Ottawa’s School of International Development and Global Studies, Adjunct Professor at the Norman Paterson School of International Affairs, Carleton University, and a Fellow of the Broadbent Institute. He is Chair of the Group of 78, and founding Chair of the Coalition for Equitable Land Acquisitions and Development in Africa (CELADA). From January until May 2011 he was Fulbright Canada Visiting Research Chair at the Woodrow Wilson International Center for Scholars in Washington, D.C. Previously he was President and Chief Executive Officer of The North-South Institute, Ottawa. Earlier in his career, he was an official at the World Bank in Washington, the federal Departments of Finance and External Affairs in Ottawa, and the Planning Secretariat of the Government of Manitoba in Winnipeg.

Roy Culpeper obtained his Ph.D. in Economics at the University of Toronto. He has published widely on the issues of international development, finance and global governance.

Jim Stanford is Economist and Director of the Centre for Future Work. He divides his time between Vancouver, B.C., and Sydney, Australia.
Jim is one of Canada's best-known economists. He served for over 20 years as Economist and Director of Policy with Unifor, Canada's largest private-sector trade union (formerly the Canadian Auto Workers). He is quoted frequently in the print and broadcast media, and contributes regular commentaries to the *Toronto Star*, Global National news, and CKNW Radio. He is also the Harold Innis Industry Professor in Economics at McMaster University in Hamilton, Canada, and an Honorary Professor in the Department of Political Economy at the University of Sydney.
Jim received his Ph.D. in Economics from the New School for Social Research in New York. He also holds an M.Phil. in Economics from Cambridge University, and a B.A. (Hons.) in Economics from the University of Calgary.
Jim is the author of *Economics for Everyone: A Short Guide to the Economics of Capitalism* (second edition published by Pluto Books in 2015), which has been published in six languages. Stanford has written, edited or co-edited six other books, and dozens of articles and reports in both peer-reviewed and popular outlets.
He has provided research and advice through numerous federal and provincial government panels and inquiries on economic policy, innovation, jobs, and social policy. Jim is recognized for his ability to communicate economic concepts in an accessible and humorous manner.

Susan Tanner, Vice-Chair Group of 78; Secretary, OREC; Chair, G78 Climate Change and Environment Working Group

Susan Tanner, L.L.B., M.E.S., L.L.M While holding senior positions in both Federal and Ontario governments Susan has maintained an active role in the non-profit community. In 1982, Susan was the founding chairperson of LEAF (Legal Education and Action Fund) to promote the rights of women under the Charter of Rights and Freedoms. In 1995, Friends of the Earth (FoE) Canada accepted a UN Environmental Prize for work on the Montreal Protocol done under her leadership. Susan continues to be actively involved with organizations such as Ottawa Renewable Energy Coop, Women for Nature (Nature Canada) and Group of 78.

Government positions included: Senior Advisor to the Deputy Minister of Justice on Gender Equality and Diversity; Forum Lead, WUF Habitat Jam; Member of the Ontario Environmental Assessment Board; Vice-Chair, Social Assessment Review Board; and mediator for the Ontario Grievance Settlement Board.

She holds a Masters of Environmental Studies and a Masters of Law.

Richard Kozul-Wright, is the director of United Nations Conference on Trade and Development's (UNCTAD's) globalization and development strategies division.

He has worked at the UN in both New York and Geneva and published widely on economic issues, including in the *Economic Journal, Cambridge Journal of Economics, Journal of Development Studies,* and the *Oxford Review of Economic Policy.*

He has co-written books such as *The Resistible Rise of Market Fundamentalism* with Paul Rayment and co-edited volumes of *Transnational Corporations and the Global Economy; Economic Insecurity and Development; Securing Peace, Climate Protection and Development;* and *Industrial Policy.*

He also co-edited *Transforming Economies: Making Industrial Policy Work for Growth, Jobs and Development* published by the International Labour Organization.

He holds a PhD degree in economics from the University of Cambridge in the UK.

Manfred Bienefeld, Professor Emeritus, School of Policy and Public Administration

Manfred A. Bienefeld is emeritus professor in the School of Public Policy and Administration at Carleton University. His current research interests include, development policy, wages/employment, commodity/capital markets, human capital, technology/industrialization, development and the environment, development in a historical perspective, his area interests include Africa, Canada, the Pacific, and East Asia and his issue interests include: the debt crisis, protectionism, industrial policy, planning, privatization, and the "newly industrializing countries." He has edited (with Jane Jenson and Rianne Mahon) *Production, Space, Identity*, Toronto: Canadian Scholars' Press 1993.

Grace Blakeley Grace Blakeley studied philosophy, politics and economics at St Peter's College, Oxford, then obtained a master's degree in African studies at St Antony's College, Oxford. After graduating, she worked as a management consultant for KPMG in their Public Sector and Healthcare Practice division. Blakeley then worked as a research fellow for a year at the left-wing think tank, Institute for Public Policy Research in Manchester, specialising in regional economic policy.

She joined the magazine New Statesman in January 2019 as its economics commentator, writing a fortnightly column and contributing to the website and podcasts. Her articles for the magazine included support for a Green New Deal. Her first book, *Stolen: How to Save the World from Financialisation*, was published by Repeater Books on 10 September 2019. Blakeley became a staff writer for the democratic socialist magazine Tribune in January 2020. She sits on the Labour Party's National Policy Forum, which is responsible for policy development.

Blakeley's second book, *The Corona Crash: How the Pandemic Will Change Capitalism*, was published in October 2020.

Jen Hassum assumed the role of Executive Director at the Broadbent Institute in September 2021. In the last two decades, she led teams at the municipal, provincial and national levels. She is recognized as an innovator in building online community and mobilizing users to real-world action. Most recently as the Publisher of PressProgress, she helped oversee its growth into an award-winning national news organization read by millions of Canadians. Over the years, her work has contributed to historic electoral victories, winning new organized workplaces and helping win important public policy gains for working-class people. She studied history at York University and the University of Toronto and lives in Cambridge, ON with her partner and two young kiddos.

Angella MacEwen Angella MacEwen is the Senior Economist at CUPE, where her focus is on the impacts of social policy and broader economic trends for workers, especially climate policy and international trade and investment treaties. A research associate with the Canadian Centre for Policy Alternatives since 2006, Angella is a regular contributor to their Alternative Federal Budget. She's also a policy fellow with the Broadbent Institute, and sits on the steering committee of the Progressive Economics Forum. She holds a Masters in Economics from Dalhousie University, and an undergraduate degree in International Development Studies from Saint Mary's University in Halifax.

Senator Rosa Galvez
The Honourable Rosa Galvez is an environmental engineer, an independent senator, and the President of the Parliamentary Network on Climate Change of ParlAmericas. She was a professor at Laval University in Québec for over 25 years and was Chair of its Civil and Water Engineering department from 2011 to 2017. She specializes in pollution control, water and wastewater treatment, watershed management, sustainable development, municipal and hazardous waste, site remediation, impact assessment and climate risk to infrastructure.

At the Senate of Canada, she is a member of the Standing Senate Committee on National Finance and the Senate Standing Committee on Energy, the Environment and Natural Resources which she chaired during the 42nd Parliament. In 2021, she was the sponsor in the Senate of the *Canadian Net-Zero Emissions Accountability Act*, providing an accountability framework for the Canadian federal government to achieve its net-zero emissions goal by 2050. She was also recipient of the Clean50 Award 2021 for her parliamentary work on climate and the environment. In March 2022, she published a white paper on (now Toronto Metropolitan University, legislation to help guide Canada's financial sector in its transition to a net-zero economy.

Bruce Campbell is former Executive Director of the Canadian Centre for Policy Alternatives. He is adjunct professor, York University, Faculty of Environmental Studies; and Senior Fellow, Ryerson University (now Toronto Metropolitan University), Centre for Free Expression. He is the author of The Lac-Mégantic Rail Disaster: Public Betrayal Justice Denied, James Lorimer, 2018. He is the author of The Petro-Path Not Taken: Comparing Norway with Canada and Alberta's Management of Petroleum Wealth, CCPA, January 2013, and a recent commentary comparing the two countries on climate action.

Mark Plant is co-director of development finance, a senior policy fellow, and chief operating officer of Center for Global Development Europe. His appointment to CGD follows a long career at the International Monetary Fund, where he was most recently the director of Human Resources. Prior to that, Plant worked extensively with African countries, culminating in his appointment as deputy director of the IMF's African Department. He also held a range of senior positions in the Strategy, Policy and Review Department, where he had oversight of the IMF's policies towards low-income countries, including its work on the Multilateral Debt Relief Initiative (MDRI) and the Heavily Indebted Poor Countries (HIPC) Initiative. Before joining the IMF, Plant held senior positions in the US Department of Commerce and at the General Motors Corporation. He began his career teaching economics at the University of California, Los Angeles.

Matías Vernengo is Professor at Bucknell University. He was formerly Senior Research Manager at the Central Bank of Argentina, Associate Professor of Economics at the University of Utah, and Assistant Professor at Kalamazoo College and the Federal University of Rio de Janeiro. He has been an external consultant to several United Nations organizations like the Economic Commission for Latin America and the Caribbean, the International Labor Organization, the United Nations Conference on Trade and Development and the United Nations Development Program, and has six edited books, two books and more than one hundred articles published in scientific peer reviewed journals or book chapters. He specializes in macroeconomic issues for developing countries, in particular Latin America, international political economy and the history of economic ideas. He is also the co-editor of the *Review of Keynesian Economics* and co-editor in chief of the *New Palgrave Dictionary of Economics.*

Eric Helleiner is a Professor in the Department of Political Science and Balsillie School of International Affairs at the University of Waterloo. His recent books include *The Neomercantilists: A Global Intellectual History* (2021), The Status Quo Crisis: Global Financial Governance after the 2008 Meltdown (2014), and *The Forgotten Foundations of Bretton Woods* (2014).

Susan Spronk teaches at the School of International Development and Global Studies at the University of Ottawa. Her research focuses on the impact of neoliberalism on the transformation of the state and social policy, and the rise of anti-privatization movements in Latin America and South Africa. She is also a research associate with the Municipal Services Project, an international research project that focuses on policy alternatives in municipal service delivery in Africa, Asia and Latin America (http://www.municipalservicesproject.org). Her articles have appeared in *Studies in Political Economy, Water Alternatives, Latin American Perspectives, International Labor and Working Class History,* amongst others. Her most recent book in English and Spanish is *Public Water and Covid-19: Dark Clouds and Silver Linings* (with David A. McDonald and Daniel Chavez).

Heather Whiteside is Associate Professor of Political Science at the University of Waterloo and Fellow at the Balsillie School of International Affairs, Canada. Her research on the political economy of the state, privatization, and fiscal-finance has been published in journals including *Canadian Public Administration, Economic Geography, Review of International Political Economy, Studies in Political Economy, and Urban Studies, and through six books including Varieties of Austerity (2021), Canadian Political Economy (2020), and Capitalist Political Economy* (2020). Heather is also currently working on grant-funded projects related to colonial era joint-stock royal charter companies in English North America and public enterprise solutions for post-pandemic recoveries.

John Anderson is a Senior Researcher with the Professional Institute of the Public Service of Canada. He represents PIPSC on the Canadian Labour Congress Task Force on Automation and Artificial Intelligence which will present its report in the fall of this year. Prior to this, John was an independent researcher who wrote the major studies on postal banking for the Canadian Union of Postal Workers and several reports for the Canadian Centre for Policy Alternatives including one on regulating the digital giants. He also has been the Director of Policy and Research for the Federal NDP as well as Director of Policy for the Canadian Co-operative Association and Research Director for the Canadian Council on Social Development, as well co-ordinator of the Technological Adjustment Research Project for the Ontario Federation of Labour. He taught Labour Studies at McMaster University for 13 years. He is a frequent op-ed contributor to major dailies. He has a BA and MA from McGill University.

Peter Venton

Peter Venton, MA (Econ) is an economist and lead of the Canadian Pugwash Group's "Global Issues Project" which focuses on the search for socioeconomic and environmental threats to human security. Prior to his retirement in 2009, Peter was a senior economist in the Ontario Government's Ministry of Finance for 25 years. His work included analyzing and advice on federal, provincial and municipal taxation and fiscal policies, federal-provincial finance and provincial-municipal finance. Since his retirement, he has published articles on political economy that include:

"Radical Changes in Canadian Democracy for Ecology and the Public Good" (2015)
"Pope Francis's Ethics for Democratic Capitalism and the Common Good" (2017)
"Towards World Federalism for International Peace and a Sustainable Environment" (2018)
"The Political Economy of Managing Without Growth." (2020)
"The Politics of Climate Change Since the US Golden Age of Democracy and Capitalism" (2022)

Andrés Arauz is an Ecuadorian economist. He completed his PhD in financial economics at UNAM in Mexico City. His research work focuses on banks, cross-border payments, technology and the public sector. He is a former presidential candidate -runner up in the 2021 elections-, Minister of Knowledge and Human Talent, former Vice Minister of Development Planning, and former Chief Operating Officer of the Central Bank of Ecuador. He was the architect of the world's first central bank digital currency. Arauz transformed Ecuador's national payment system in favor of technological and economic inclusion of the popular and solidarity financial sector. He sat on the boards of Ecuador's Tax Committee, Foreign Trade Committee, and Public Debt Committee. He has worked together with civil society organizations from around the world on tax justice, illicit financial flows, and monetary reform and has done consulting and advisory work in these areas. He is a leading researcher and supporter of Special Drawing Rights and leads Ecuador's Observatorio de la Dolarización.

Ulrich Bindseil is Director General Market Infrastructure and Payments at the European Central Bank (ECB), a post he has held since November 2019. Previously, he was Director General Market Operations (from May 2012 to October 2019) and head of the Risk Management Division (between 2005 and 2008). He first entered central banking in 1994, when he joined the Economics Department of the Deutsche Bundesbank, having studied economics. His publications include, among others, *Monetary Policy Operations and the Financial System*, OUP, 2014; *Central Banking before 1800 – A Rehabilitation*, OUP, 2019; *Introduction to Central Banking (with A. Fotia*, Springer, 2021).

Mario Seccareccia Professor emeritus at the Department of Economics, University of Ottawa

Mario Seccareccia is a professor emeritus at the Department of Economics, University of Ottawa, Ottawa, Ontario, Canada where he taught for forty years, from 1978 to 2018, in the fields of macroeconomics, monetary theory, labour economics, history of economic thought, and economic history areas in which he has also published extensively. Indeed, he has published over 100 academic articles in scientific refereed journals or chapters of books and has authored or edited a dozen books/textbooks and monographs. He has also edited or co-edited some 40 special issues of journals. Also, some of these publications are of an interdisciplinary nature and cover many areas of political economy.

Mario Seccareccia has been visiting professor in a number of universities in France (Université de Bourgogne, Université de Grenoble, Université Paris 13, and Université Paris-Sud) and in Mexico (Universidad Nacional Autónoma de México (UNAM)), and he participates regularly in policy debate in both Europe and North America.

The Committee of the Group of 78’s for the 2022 Annual Policy Conference

The Committee of the Group of 78, responsible for our 2022 Annual Policy Conference consisted of the following individuals.

Bruce Campbell, Roy Culpeper, Andrew Jackson, Angella MacEwen, Toby Sanger, and Mario Seccareccia.

Thank you for joining us for our conference, and thank you, also, to each committee member for their dedication in making this a successful and pleasant experience.

The Group of 78

The Group of 78 is an association of Canadians committed to Canadian leadership in global stewardship and a progressive Canadian foreign policy based on the pursuit of peace, justice and global survival.

The Group grew from an initiative in 1981 when several concerned and distinguished Canadians crafted a statement on how Canada could contribute to the building of a peaceful, secure world. In November 1981 that statement, *Canadian Foreign Policy in the 80s*, was sent to Prime Minister Trudeau. It was signed by 78 Canadians – a group of 78. The statement set out three inter-related objectives:

- removal of the threat of nuclear war
- mobilization of resources to achieve a more equitable international order
- strengthening and reform of the United Nations and other global institutions

That began a dialogue between the Group of 78 and the Canadian government. Members of the Group made their views known about new issues in international relations and their implications for these central and universal objectives. Following its 25th anniversary and to reflect the changing world, the Group adopted a new statement of principles for Canadian foreign policy based on the theme *Justice, Peace, Survival*.

The Group of 78's interests cover a wide range of issues and challenges, leading to its advocacy to the Canadian government to:

- Renew multilateralism
- Eliminate weapons of mass destruction
- Make a reality of human security
- Prevent armed conflict
- Fight climate change
- Promote and protect human rights
- Create a fair, democratically accountable international trading system
- Ensure substantial and effective development assistance
- Support and strengthen responsive and accountable governments.

Activities

The Group holds an annual foreign policy conference each September to deliberate on key issues and to formulate recommendations to government. In recent years, the conferences have rotated through three recurring themes: peace and security, climate change, and economic and social justice. The conferences generate key messages and recommendations, mostly to the federal government, to promote more progressive policy directions and actions.

The Group also used to hold monthly luncheon presentations and special events, open to the public, on a wide range of topics. In the past two years, these events have gone on-line, allowing for more of them, with speakers and participants from across Canada and around the world. These sessions provide background and insight for participants on international issues and reinforce the Group's public engagement and advocacy work. Increasingly the Group convenes its webinars and special events in cooperation with other civil society organizations.

Thematic panels, or working groups, within the organization track key themes of Canada's role in the world community towards greater understanding of the issues, recommending positions and actions for the government and civil society, and suggesting other program initiatives for the Group.

The Group of 78 also anchors Climate Legacy, an initiative to engage Canadian seniors in climate action.

Through its Board of Directors, the Group produces positions on topical issues and recommends policy and actions for the Government of Canada to consider in its conduct of foreign policy.

The Group invites all like-minded Canadians to join it in pursuing its objectives.

Membership

The Group of 78 is open to individuals who identify with and are committed to the principles of the Group.

Contact Details

To join the Group of 78, or to learn more about its aims and ongoing activities, please contact:

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