

Abstract

Transnational Issues and Global Governance: Big Shifts and Discontinuities

Recent decades of globalisation have created a more interconnected, interdependent and complex world than ever witnessed before. While global policy has focused on facilitating integration, the implications of growing interdependence have been largely ignored. The acceleration in global integration has brought many benefits, but it also has created fragility through the production of new kinds of systemic risks. The presentation will introduce the key lessons and suggest a framework for understanding these new 21st Century systemic risks and examines the challenges they pose to global governance. The 2008-2009 financial crisis will be used to illustrate the failure of even sophisticated global institutions to manage the underlying forces of systemic risk. This is symptomatic of institutional failure to keep pace with globalisation. The failure of the most developed and best-equipped global governance system, finance, to recognise or manage the new vulnerabilities associated with globalization in the 21st Century highlights the scale and urgency of the global governance challenge regarding systemic risk.