

BANKING ON KNOWLEDGE

Global governance should recognise global citizenship

By Dr R Seetharaman

The advanced economies have recently gained some speed, while the emerging market economies have slowed. The impulse to global growth is expected to come mainly from the US as fiscal consolidation eases and fed tapering begins.

The emerging market economies, however, continue to account for the bulk of global growth. Emerging economies had contributed to global economic recovery after the crisis. They will continue to exercise their power in global forums such as G20, while advanced economies and emerging economies will play a vital role in the area of "global governance".

The global governance had brought significant measures in response to global financial crisis. The interconnected nature of our world demands that global governance recognise the necessity for co-ordination to keep pace with the demand for a more farsighted global order, and hence encourage "global citizenship".

Global citizenship is based on the belief that each of us can change things and has choices about how we behave. It is also based on the belief on the power of the individual and it aims to empower people to lead their own action. It enables you to build knowledge and values based on learning about global issues.

In a changing world, global citizenship is about flexibility and adaptability and a positive image of the future. In an interdependent world global citizenship encourages us to recognise our responsibilities towards each other and learn from each other. Global citizenship should lead to a single world. Modern technology has created a single-world culture. The highly-developed world-wide-web enables us to broaden our view of the world, experiencing various cultures across the world. There are opportunities for those who want to expand their knowledge about other countries' cultures due to the development of modern technologies. If culture differences are addressed it is possible to work towards a single world. Understanding other countries culture is the first step to address

cultural differences. There have been significant migration of people and vast exchange of ideas between various countries, which has given momentum to the concept of "single world."

A single world will have a single global currency. The single global currency would be managed by a single global central bank, with representative governing boards for the people, governments and financial institutions of the world.

The Global Central Bank will be financed by benefits, which come from the printing of money and seigniorage. Any surplus monetary benefits coming to the bank would be allocated to the agreed-upon goals. The conditions based on which the countries will participate and the goals to be achieved should be agreed to develop a single global currency. In recent years the global trade has rebounded between advanced and emerging economies as global economy recovered from crisis. US and China have featured in the list of top 5 exporters and importers of world merchandise trade and commercial services in 2012.

Since 2009, China has promoted RMB internationalisation by facilitating international trade and investment, encourage development of offshore RMB-denominated financial products, and encouraging central banks to hold RMB as part of their foreign exchange reserves. Emerging economies have also provided an ideal platform for those US corporations which had struggled in their local economies and for those which looked for opportunities in emerging economies to diversify the risk.

Economic and global developments have made emerging economies more visible and hence promoted more international collaborations with advanced economies. Advanced economies and emerging economies can play an important role as part of global governance to bring mechanisms to strengthen ties among global citizens and link their efforts towards national and international policies.

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