Index

Abiad, A. 208
advisory committees, Austrian occupational pension funds 225
Aglietta, M. 16
Agnew, J. 185
Allen, F. xviii
Almer, J. 130, 134
Almunia, J. 118
Alt, J. 15
Amable, B. 61
Ambachtsheer, K.P. 215
American Dream Demonstration (ADD) 153–4
Andrews, D.M. 91
Anglo-Saxon context xv
Argentina 30
Asian Pacific Loan Market Association (APLMA) 102
authorities, categories of 71–2
Axelrod, R. 14
Ayadi, R. 203
Bachrach, P. 79
BAFin (Bundesanstalt für Finanzdienstleistungsauflsicht) 51
Baker, A. 63, 71, 72
BAKred (Federal Banking Supervisory Office, Bundesaufsichtsam für das Kreditwesen) 49, 50
bank-based economies, income distribution xvii
bank lending, and Basel II 207
Bankers Trust, OTC derivatives 179
Banque de France, making rating assessments 200
Baratz, M.S. 79
Barings Bank collapse 169
Barros, P.L.P. 119
Basel Capital Adequacy Accord 107
Basel Committee on Banking Supervision (BCBS) 75, 177
Basel I, revision 24, 193–4, 196–8
Basel II
bank lending 207
forcing ratings-based approach 37
Germany 50–52
implications for future regulators 198–206
negotiation process 108
OTC derivatives 177–8
Pillar One 24, 195, 199–202
Pillar Two 195–6, 202–4
Pillar Three 196, 204–6
in a politico-economic setting 208–10
race to the top 192–3
summary 195–6
Bauer, J. 230
BCBS see Basel Committee on Banking Supervision
Beeferman, L. 155, 159
Bell, S. 155
Benartzi, S. 145, 146
Bentham, J. 12
Bernheim, D.B. 145
Bernstein, M. 6
Besley, T. 215, 218
Best, J. 205
Bhagwati, J. 91
Bieler, A. 3
Bieling, H.J. 121, 209
Biersteker, T. 4
Bilanzkontrollgesetz 46
Bird, E.J. 146
BIS (Bank for International Settlements) 75, 197
Bishop, G. 126
Bludorf, F. 81
Blyth, M. 173
Bohman, J. xix, 107
Bourdieu, P. xviii
Boyer, R. 64, 184
BPG (Betriebspensionsgesetz, Company Pension Act) 221
Braithwaite, J. 173
Bratton, W. 6
Braunstein, S. 141, 143, 144
Breit, L. 109
Brooks, S. 215
Bruegger, U. 91
Buckley, R.P. 102
Bundesaufsichtsamt für das Kreditwesen see BAKred
Bundesaufsichtsamt für den Wertpapierhandel 45
Bundesbank 49
Bundesrat 44
Busch, A. 125
Butkx, A. 109
Carroll, W.K. 91
Carp, C. 91
Caruana, J. 197
Caskey, J.P. 147
CEIOPS 216
Cerny, P.G. xiii, xiv, 16, 107, 119, 121, 185, 233
Cetina, K.K. 91
CEFTC (Commodity Futures Trading Commission) 178
CheXSystem 148
CHIPS (Clearing House Inter-Bank Payments System) 101–2
Choi, J. 145, 146
Claessens, S. 24, 108
Clark, G.L. 216, 234, 243
Clark, T. 185
classical political economy (CPE), and governance theories 11–13, 16
Clearing House Inter-Bank Payments System (CHIPS) 101–2
Coase, R. 8, 14
COB (Commission des Bourses) 45
Cohen, B.J. 15, 173, 186
coincidence, as governing 80
Coleman, W.D. 3, 43, 62, 65, 75, 82, 118, 177, 186
collective agreements, Austrian occupational pension funds 227
Comitology 124, 130
see also Lamfalussy Procedure
Commodity Futures Trading Commission (CFTC) 178
comparative political science, governance debate 64–8
Cooper, R.N. 14
Corbridge, S. 186
Corrigan, E.G. 102
Cox, R.W. 16, 185
credit-constrained households 149–51
Credit Portfolio View 201
credit risk 195
CreditMetrics 201
CRMPG (Counterparty Risk Management Policy Group) 102
Curzon, V. 15
Cutler, A.C. 3, 184, 185, 186
Czempiel, E.-G. 3, 17

Dahl, R.A. 79
Dailami, Mansoor 95
Dale, R. 171
Danielsson, J. 201, 202
Davies, H. 122, 126, 204
DCS (defined contribution schemes) 221
De Ceuster, M. 204, 205, 206
De Jong, H.W. xvii
Deakin, S. xvii
Decamps, J. 204
Deeg, R. 39
Deelstra, G. 215
democratic legitimacy xviii–xx
Deng, F. 107
deregulation, May Day (NYSE) 38–9
derivatives definitions 170
potential problems 171–2
see also OTC (over-the-counter) derivatives
Derivatives, Practices and Principles (G-30) 175–7
Deutsche Börse Group 46
DGP (Derivatives Policy Group) 169, 182
Diga, J.G. 100
DiMaggio, P.J. 39
distribution of wealth xvi–xviii
Dodd, R. 183
Index

downloading of models 38

see also vertical mechanisms of change
Drache, D. 184
Drahos, M. 67
Drahos, P. 173
Duménil, G. 81
Dyman, K.E. 153
Dyson, K. 37

Easterly, W. 95
Eberlein, B. 129
EBIC (European Banking Industry Committee) 197
ECAs (External Credit Assessment Institutions) 199

see also ratings agencies
The Economic Consequences of the Peace (Keynes) 9

economic governance perspective, financial governance debate 72–7
Edwards, F.R. 181

efficiency, and governance theories 8–10
Eising, R. 63, 71
Emerging Markets Traders Association 102
Engelen, K.C. 131
Enron 183
epistemic communities 67
Erlacher, P. 239

ethnicity
and credit constraint 149
and poverty 158
wealth levels 151–2

European Banking Industry Committee (EBIC) 197
European Parliament, role in Lamfalussy procedure 130–31

European Shadow Financial Regulatory Committee 203
Evans, P. 16
exchange-traded derivatives, definitions 171
exclusion
definitions xv
private-actor roles 91–2
and recent reforms xx–xxii

see also inclusion
expert control, and Lamfalussy process 133–5
expert networks
democratic legitimacy xviii–xix
and exclusion xxii

External Credit Assessment Institutions (ECAIs) 199

see also ratings agencies
Farny, Otto 226, 231, 239
Federal Reserve Bank (Fed) 53, 178, 181

Federation of European Securities Commissions (Fesco) 131–2
Feldstein, M. 28
Ferguson, R.W. 145

Ferran, E. 121, 122, 131, 133
financial behaviour 145–6
financial crises, regulatory responses xiv

financial education
as asset-building 152–4
as cultural governance mechanism 155–9
definitions 140
financial governance, definitions xv, xxvi, 116
financial information 143–4
financial knowledge 144
Financial Leaders Group (FLG) 103–4, 109

financial literacy, benefits 140

Financial Services Action Plan (FSAP)
and Basel II 210
definitions 115
overview 135–6
policy 116–20
politics 120–28
polity 128–35

Financial Services Agreement (FSA) 103, 107, 109

Financial Stability Forum (FSF) 41, 75, 104

Finanzplatz Deutschland 45
Finnemore, M. 107

FLG (Financial Leaders Group) 103–4, 109
forward contracts, definitions 170
Fosar, G. 81
The Political Economy of Financial Market Regulation

Frach, L. 125, 135
Frankfurt Stock Exchange 46
Freixas, X. 118, 119, 127, 208
French Regulation school 16
Friedman, B. 157
Friessnegg, O. 239
Fritz-Almus, D. 203
Froud, J. 92, 209
FSA (Financial Services Agreement) 103, 107, 109
FSAP see Financial Services Action Plan
FSF (Financial Stability Forum) 41, 75, 104
Fuchs, D. 77, 78, 81, 82
Fund Governance Code 216
futures contracts, definitions 170
G–10 (Group of Ten) 52
G–20, foundation as reaction to criticism of G–7 xxi
G–30 (Group of Thirty) and Basel Committee 52
leadership in global finance policy 104
and OTC derivative markets 174–82
Gale, D. xviii
Gans, H.J. 157
Gardener, E. 119
General Accounting Office, and private regulation of OTC derivatives 178
general meetings, Austrian occupational pension funds 226–7
Genschel, P. 192
Germain, R. 172, 185
German banking regulation case study former model 48–50
new model 50–52
pattern of reform 52–4
German capital markets regulation case study former model 43–4
new model 44–6
pattern of reform 46–8
Gibson Greetings, OTC derivatives 179
Gilpin, R. 15
Gittleman, M. 155
global financial governance definitions 172
implications 184–7
practices 172–4
globalization, and financial governance xii–xiii
globally-oriented financial associations centralization and integration 100–105
participation, transparency and due process 105–10
see also private-sector roles
Goddard, M. 102
Goetz, K.H. 37
Goodhart, C. 6, 36
Goodhart, C.A.E. xvi
Gottwald, J.C. 118
Gourevitch, P. 15
governance and architecture reform 22–8
concepts of 3–5, 60–63, 217
economic theories 5–10
future debate 16–22
overview 28–30
political economy theories 10–16
governance mechanisms blurring of distinctions 71–2
types 64–70
Gowan, P. 92
Grabel, I. xii
Grahl, J. 210
Grande, E. 129
Grasselli, M. 215
Greenspan, A. 141, 183
Greenwood, J. 15
Grossman, E. 62, 71, 80, 127, 130, 132, 198, 209
Grupprenwettbewerb 49
guaranteed minimum yields, Austrian occupational pension funds 228
see also PKG 2003 amendment
case study, effects of guaranteed minimum yield reform
Gutman, M. 155
Haas, P. 67
Index

Hacker, J. 155
Hahn, F. 203
Haines, J. 116
Hall, P.A. xvii, 173
Hall, R.B. 4
Hancher, L. 172
Harmes, A. 81, 83, 91
harmonization 38

see also horizontal mechanisms of change

Harms, P. 94
Hart, J.A. 184
Hartmann, P. 53
Haufler, V. 3
hegemony, as governing 81
Heilbroner, R. 17
Helleiner, E. 38, 173, 186
Heritier, A. 38
Herring, R. 36
Hertig, G. 126
Higgott, R. 3
Hilgert, M. 144
Hirad, A. 145
Hirst, P. 61
Hogarth, J.M. 143, 144, 145, 147
Hollingsworth, J.R. 64
Hollsteiner, E. 239
horizontal mechanisms of change 37, 38–40
Horn, L. 127
House of Representatives, OTC derivatives 180
Hudson, D. 63, 72
Hume, D. 11
ICAAP (Internal Capital Adequacy Assessment Process) 203
IDAs (Individual Development Accounts) 153, 158, 160
IIF (Institute of International Finance) 52–3, 103, 176, 197
imitation, as governing 82–3
inclusion
definitions xv
private-actor roles 92–5
see also exclusion
independent institutions, integration into Lamfalussy 131–2
Individual Development Accounts (IDAs) 153, 158, 160
information asymmetries 36
insider trading 39
Institute of International Finance (IIF) 52–3, 103, 176, 197
interest associations 66
internal auditing units, Austrian occupational pension funds 226
Internal Ratings Based (IRB) Approach 194, 199, 201–2
see Basel II
International Organisation of Securities Commissions (IOSCO) 177
international political economy (IPE) 15–16
investment rules, Austrian occupational pension funds 227–30
IOSCO (International Organisation of Securities Commissions) 177
IRB (Internal Ratings Based) approach 194, 199, 201–2
ISDA (International Swaps and Derivatives Dealers Association) 169, 176
Jabornegg, P. 226, 227
Jacek, H. 15
James, E. 215
Janda, F. 239
Jenkins, H. 102
Jessop, B. 243
Josselin, D. 123
Japser, A. 79
Kaplan, A.M. 95
Kaplan, A.M. 95
Kapstein, E.B. 41, 184
Karmel, R.S. 92, 105
Katzenstein, P.J. 15
Kay, J. 36
Keenan, F. 102
Kempson, E. 148
Keohane, R.O. 14, 15
Kersbergen, K. van 61, 62, 63
Kindleberger, C. 15
King, M. 199, 200, 210
Kirshner, J. xii, xiii, 184
North, D.C. 8, 20
Nye, J. 14, 15
NYSE (New York Stock Exchange) 38–9, 43, 47
see also German capital markets regulation case study
Oatley, T. 193
OCC (Office of the Comptroller of the Currency) 53, 178
O’Donnell, K.H. 147
Oliver, M. 156
Olsen, J.P. 75, 234
Olson, M. 14, 79
O’Neill, P.H. 140
operational risk 195
optimality, as governing 80–81
option contract, definitions 170
Orange County, OTC derivatives 179–80
Orenstein, M.A. 215
Organizing the World’s Money (Cohen) 15
Ostrom, E. 62
OTC (over-the-counter) derivatives definitions 171
governance history 169–70
market size 168
self-regulation 174–84
Ouchi, W. 64
Palomino, F. 215, 219
Peltz, M. 180, 181
Peltzman, S. 6
Phillips, S. 53
Physiocrats 11
Picciotto, S. 115, 186
Piñera, J. 93
Pitt, H. 141
PKG (Pensionskassengesetz) 214, 220–22
PKG 2003 amendment case study beneficiaries’ representatives institutional interests 237
effects of guaranteed minimum yield reform 234–5
PKs (Pensionskassen, occupational pension funds) competition 230–32
governance 217–18
legal foundations 221–2
politico-economic implications 232–42
principal-agent problems 218–19
principal-agent remedies 224–30
transparency problems 219–20
transparency remedies 222–4
Plumper, T. 192
Polanyi, K. 9
political power 77–83
Porter, T. xiii, xv, xx, xxi, 3, 42, 62, 65, 75, 82, 101, 107, 184, 185, 192, 197, 198
Powell, W.W. 39, 64
Between Power and Plenty (Katzenstein) 15
Power, M. 92
Prakash, A. 184
Prat, A. 215, 218, 219
preference formation, and governance theories 8
principal-agent problems PKs (Pensionskassen, occupational pension funds) 218–19
Principals of Economics (Marshall) 13
private-sector roles in global finance 172–4
overview 110–12
prevailing perceptions 90–95
significance 89–90, 96–9
see also globally-oriented financial associations problems of regulation 35–6
Procter & Gamble, OTC derivatives 179
public goods provision, and governance theories 7
Quinn, B. 176
Radaelli, C.M. 36, 184
Radwan, A. 198
Rajan, U. 215, 219
ratings agencies 199–200, 202
ratings-based approach disadvantaged Germany 53–4
forced by Basel II 37
regulatory change analytical framework patterns of change 36–40
problem of regulation 35–6
state and market relationships 40–43
overview 55–6
regulatory competition 38–40
regulatory reform, political economy of xiii–xv
Reich, R. 155
Rein, M. 215
Reinicke, W.H. 42, 107, 186, 194
Resti, A. 199, 203
Rhine, S.L.W. 143, 144, 147, 155
Ricardo, D. 12
Rigaut, A. 126, 133
Rise and Decline of Nations (Olson) 14
Risk Capital Action Plan 116
Roberge, I. 101
Roberts, R.W. 91
Rochet, I.C. 208
Rodrik, D. 15
Rosenau, J.N. 3, 14, 17
Rothschild, K.W. 79
Rotkirch, M. 130, 134
Royal Institute for International Affairs 15
Ruggie, J.G. 41
Sablowski, T. 208
Salacuse, J.W. xviii
Sanio, J. 200
Saudagaran, S. 100
SCF (Survey of Consumer Finances) 147–8, 158, 161–2
Scharpf, F.W. 45, 234
Schaub, A. 122
Scheupke, K. 15
Schiemer, K. 226, 227
Schmähl, W. 215
Schmitter, P.C. 62, 64, 70
Schreiner, M. 153, 154
Schuberth, H. xvii
Schürz, Martin xvii
Schwartz, M. 91
SEC (US Securities and Exchange Commission)
  involvement in German banking regulation 46–8
  recognition of private regimes 42
Sell, S.K. 173, 185
Shapiro, T. 156
Shea, D. 146
Sherraden, M. 153, 156
Shleifer, A. xvii
Shonfield, A. 15
short-term profitability, and breach of trust xvii
Sikkink, K. 107
Simmons, B.A. 192
Sinclair, T.J. 91, 185, 199, 200, 202, 210
Skinner, A. 17
Slaughter, A.-M. 38, 40, 41, 107
Smith, A. 11–12, 17–18, 26
Smith, M. 116, 120
Sobel, A.C. 43
Soederberg, S. 55, 82, 91
Soskiice, D.W. xvii
Srivastava, S. 215, 219
state-market actor relationships 40–43, 72–4
state-market condominium model 21–8
Steinherr, A. 171, 184
Stephens, J.D. 16
Stigler, G.J. 6, 40
Stone, D. 173, 174
Strange, S. 15, 16, 18, 19, 37, 40, 65, 66, 72, 184
Strasser, R. 226, 227
Streeck, W. xiv, xvii, 62, 64, 70
structural forces, as governing 81
structural power 37
Summers, L. xvii
  supervisory boards, Austrian occupational pension funds 224–5
  swaps, definitions 171
  systemic risks 36
Talos, E. 241
Taus, J. 224, 227
Teague, P. 210
Thaler, R.H. 145, 146
Thomson, R. 179
Thrift, N. 118
Tickell, A. 176, 181, 187
Tier 1 ratio 200
Toussaint-Comeau, M. 143, 144, 147, 155
Traxler, F. 65
Tsingou, E. 24, 80, 104, 175, 205
Tuchtfeldt, E. 203
Tumpel, H. 237
UK, and Lamfalussy Procedure 122, 126–7
unbanked Americans, reasons 147–8
Underhill, G.R.D. xvii, 3, 10, 20, 21, 24, 41, 42, 73, 108, 117, 118, 233
Unger, B. 61, 65, 66, 70
unrated companies 199
uploading of models 37–8
US
financial literacy programs effectiveness 142–6
official justification 141–2
and the poor 146–52
see also financial education
homeownership 150, 158
influence in Basel II negotiations 193–4
US banking deregulation 39
US Securities and Exchange Commission see SEC
Van Apeldoorn, B. 127
van Kersbergen, K. 3, 5
van Waarden, F. 3, 5, 61, 62, 63, 64, 67, 68, 70, 77
Verdier, D. 115
Verdun, A. 15
vertical mechanisms of change 37–8
Verzetnitsch, F. 237
Vickers, J. 36
Vickers, M. 111
Vogel, D. 48
Vogel, S.K. 45
Völker, P. 29
Walras, L. 13
War on Poverty 155
Weaver, R.K. 215
Welch, C. 141, 143, 144
Wesselsius, E. 109
Williamson, O.E. 19, 64, 217
Wolf, K.D. xix, xx
Wolff, E.N. 155
Wood, D. 107
Woodward, R. 63
works council agreements, Austrian occupational pension funds 227
Wöss, J. 226, 231
Wray, R. 155
XETRA 46
Zhang, X. 21, 73, 108
ZKA (Zentraler Kreditausschuss) 49
Zorn, P.M. 145
Zysman, J. 15