

Marc Levinson "Faulty Basel"
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"Over three decades of experience have
that international cooperation in financial
regulation brings as many risks
as benefits" ??

"The attempt to harmonize standards
across ~~the~~ across borders has led
many countries to make the same
mistakes ..." ??

"Nations have deferred important
reform writing far multilateral agreements
while oversight of banks operating
across national borders isn't
adequately addressed.

"To rely on international organizations
to protect the world economy against
major financial disruptions is
unrealistic" ??

Leveling the playing field
"is neither reasonable nor desirable" ??

"Well-crafted regulations in individual
countries matter far more than
international accords" ??

"a diversity of national regulatory approaches... could make the financial system more resilient during the next worldwide crisis" 77

Bank loan Herstatt June 1974

Franklin National

late '74 "The Committee on Banking Regulation and Supervision Practices" focus on boosting banks' capitalization after Lat Am debt crisis

US-UK bilateral accord in 86

88 Basel Accord

98 began in BII Approved in 04

"Unfortunately, financial regulation is far from a scientific enterprise" 84

Too heavy emphasis on capital requirements to the exclusion of other concerns.

didn't have liquidity rules

"basing capital requirements on mistaken risk assessments"

"Basel's creation of a uniform international definition of 'capital' has also made the banking system less safe" 82

"Basel II made leniency the national standard"

critique home country regulation

"Spain's weathering of the recent financial crisis highlights the positive effects of regulatory diversity" 86

deposited from Basel II capital requirements

"Only national governments have the ability to establish and enforce regulations on companies operating in their territory.... [and] can be held politically responsible for regulatory failures. This implies a step back from financial globalization in the interests of stability" need more host country regulation
This won't start a race to the bottom
little evidence its a danger