

Political Dimensions of International Financial Center

1. Political Economy

Are there domestic interest groups who have natural incentives to push for building an IFC?

- **Industrial companies**
- **Financial companies**
- **Labor unions**
- **Government agencies**
- **Political parties**
- **.....**
- **Media & Academia**

Cases of Korea, China, and New Zealand?

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2. Political System

A **legal system** affects flexibility of laws and regulations.

- common law : high flexibility
- civil law : low flexibility

A **political system** affects flexibility of regulators.

- parliamentary system : friendly relationships with legislative branch => more flexible bureaucracy
- presidential system : adversarial relationship with legislative branch => more rigid bureaucracy

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2. Political System

		POLITICAL SYSTEM	
		Parliamentary	Presidential
LEGAL SYSTEM	common	UK	US
	civil	Japan	France

How could Korea overcome difficulties of a 'French' system ?