

# THIERRY DE MONTBRIAL

President and founder of the World Policy Conference

Mr Foreign Minister of the Kingdom of Morocco, who has to come to speak on behalf of His Majesty, I wish to thank you for the very substantial and encouraging message you just read. Mr Secretary-General of the United Nations, who is going to speak in a few minutes, Excellencies, Ladies and Gentlemen, I am happy to open this third World Policy Conference in the company of so many eminent personalities.

I would first like to take a few minutes to recall the goal of this conference. His Majesty also discussed it in his remarks. Our goal is to constructively participate in reshaping the global governance system, with the aim of strengthening the security of the entire world in the years and decades to come – because the governance issue is fundamentally a security issue. We need to find organisational and coordination methods in all areas that will allow us to prevent or resolve potential crises as harmoniously as possible - traditional political or economic crises as well as new types of crises unprecedented in human history that concern, for example, the environment and climate, which His Majesty alluded to in his speech.

In an increasingly interdependent world, what is globalisation if not strengthening and enhancing interdependence? In such a world, the major danger is that an accident occurring anywhere could spread rapidly and lead to a global disaster. It is therefore absolutely essential that we actively engage in a conversation on global governance. The goal of this conference, which is now in its third year and has, of course, every intention of continuing, is to bring together personalities who are major players in international politics with other stakeholders, particularly companies, which are invited on the basis of the issues discussed. In many fields, nothing would get done without these companies.

Our goal is to contribute to this enormous task and, I want to stress, make a positive contribution because it is extremely easy to criticize everything. It's too easy just to denigrate. It's too easy to decry what's going wrong. But what we expect from all of you, Excellencies, Ladies and Gentlemen, is much more difficult and that is positive contributions that can truly make things better.

Now that I have reviewed the conference objective, I would like to move on to my second comment. If I were a humanitarian doctor responsible for diagnosing the state of the planet, I would not be completely optimistic at the present time. But I would not be completely pessimistic either, I hasten to say. Amongst the reasons to worry are the economy and finance, which we are going to discuss at length today, particularly with Jean-Claude Trichet and other eminent figures who have come from Asia and throughout the world. In this area, at least, we have certainly avoided the worst.

After the crisis of 2007-2008, we avoided sinking into chaos, of plunging into a situation similar to the great depression of the 1930s. Incidentally, I would like to pay tribute to the central banks, which did extraordinary work during the difficult environment of 2008 and 2009. They reacted more quickly and calmly than did governments. Mr Trichet, who is with us today, also participated in the first World Policy Conference in early October 2008 just after Lehman Brothers went bankrupt.



It was, and continues to be, a remarkable achievement but signs of weakness persist. There is uncertainty about what policies to pursue. I am, for example, concerned about the inflationist tendencies emerging again in the United States, including in the Federal Reserve System. It also worries me to see the new craze for the most simplistic version of the Keynesian model – with the support of economists as eminent as Paul Krugman. For him, this model suggests spending extravagantly and increasing the government deficit, which has already reached an unfathomable level in the United States. In short, there are many worrying, if not alarming, signs. While it is true that substantial progress has been made in improving global financial governance, we must ask whether it is enough. Are there still any major gaps?

We should thus specifically determine what has been accomplished and what remains to be done, and I think that part of our work will be devoted to this task. That said, it must be stated that today, with regard to the economy and finance, the major powers have not even attempted to agree on a common analytical framework, which strips "coordination" of any meaning. Such a framework does not even exist at the European level or in the euro zone.

But we are discussing global issues here and I cannot refrain from expressing concern about the world's conflict areas. I am not talking about the short term, but about the coming years and decades. We first have to look at the vast Middle East region in the broadest sense all the way to the outer boundaries of Afghanistan and Pakistan. And there we see two latent conflicts that not only are still not resolved but that still show no signs of any significant improvement.

First, the Israeli-Palestinian and Kashmir issues, which should be linked. Similarly, we cannot deal with the Afghanistan problem if we do not view it from the perspective of the Pakistan-India rivalry and explicitly address Iran's involvement. At either edge of the Middle East region, there are two major conflicts always ready to erupt that affect the entire area. This reality is a cause for concern at the very least.

At the other end of the Eurasian continent, it is also important to underline the potential instability of East Asia due to the divided Korean peninsula. The major powers concerned have never sought to develop a common medium- or long-term plan for the future. In these conditions, any major incident in North Korea could have catastrophic consequences. I would also like to mention the recent incidents in the South China Sea between Japan and China, which remind us that things could spiral out of control at any moment.

There are, of course, many restoring forces that can help avoid this situation, but to bolster global security it is best to prepare for cases in which local compensatory mechanisms are no longer functioning. The issue of governance is thus absolutely essential. To conclude my remarks, I want to stress the importance of linking economic and political concerns as any crisis in one of these two spheres can degenerate into a crisis involving the other.

Finally, and this is my last point before yielding the floor to Mr Ban Ki-Moon, I would like to add a few words about the ongoing processes – which are largely empirical and it's a good thing they are – that seek to build a new world order. Talking about global governance or a new world order are two ways of expressing the same idea. There are new systems, including the G20, heir to a group that functioned rather well in the financial arena, with finance ministers, and which has become a group consisting of heads of State and government. There is also the G8, which still exists, although some wonder whether it really has any further reason to survive.



And I also want to especially mention the United Nations system, which despite its imperfections and cumbersome bureaucracy and despite the fact that its Security Council's permanent members are not representative, continues to embody legitimacy and even more so, legality on the world scene. It is also noteworthy that, whatever occurs, States always turn toward the UN. But the UN system endlessly fails to reform itself. What type of structure should we envision for both improving the UN system and making it more consistent with other emerging institutions, such as the G20 or the enduring G8? And how can we ensure consistency between the UN system and the institutions inherited from the Bretton Woods system, such as the World Bank and the IMF?

These are some of the questions we need to ask. And after raising them, what would be better than giving the floor to His Excellency Ban Ki-Moon, Secretary-General of the United Nations, who has done us the immense honour of coming to spend a few hours with us in Marrakech to open the conference. Mr. Secretary-General, I wish to sincerely thank and welcome you. It is with great pleasure that I yield the microphone to you.