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Thank you, Jim, and good morning to all of you. Thank you very much for the invitation. I will try to accomplish the task you have set me of being deeper than the previous speaker, which is really challenging. I would like to begin by following up on what Kemal Dervis said at the beginning of his presentation about the rise of the emerging market economies changing global governance.

I think that we focus very much on the crisis, but we often forget that much of the challenges that we now have in terms of governance date back from before the crisis and from this period that was rightly identified as being a turning point for the history, with the 1990s and the rise of emerging market economies.

In my view, the rise of emerging market economies has made international cooperation both more desirable and also more difficult, and this is the challenge that we face now. It is more desirable because there is more interconnectedness. All speakers have mentioned this point. We now have a crisis spreading from one point to another much more quickly, so there are more challenges. It is also more difficult to coordinate because the number of players has increased. There are more players around the table, which we can see from the G20, and it is a more diverse group of players.

We all know that any framework for international cooperation rests on legitimacy and efficiency. We have seen a group of new players come in with a different notion of economic efficiency and a different notion of political legitimacy. We have to accept this - it is just a fact. This is not to be challenged. For example, regarding climate change, emerging market economies have a different view of the trade-off between dealing with global externalities and ensuring sustainable growth at home. There is a different trade-off between growth and sustainability, and rightly so because the income level is lower.

This brings me to my third point. There are different views on political legitimacy around the table because political systems are different. There are different views on efficiency, mainly because the income levels are different. There is a different time horizon, or as economists would say, there are different time preferences. I like the way Kemal described the whole economic perspective as being a combination of long-term trends and short-term situations that are very much correlated. What I would like to add to his description is that different countries around the table have different time preferences, so they put a different weight on long-term trends and on short-term situations.

Developed economies are very much focused on the short term, currently on how to fight the recession, while emerging market economies are more focused on the conditions to create long-term growth. That is quite a difficulty and a challenge because we have to find agreements on both grounds. That was my first point, related to the trend before the crisis. Coordination is more necessary, but also more challenging.

The crisis, beginning in 2007, 2008, has added even more challenges to an already challenging situation. First, it has revealed fault lines in the whole construction. The global economy was flooded with money and the fault lines were not apparent. Now we can see these fault lines. An example is financial integration and the need for global regulations. Insufficient attention was paid to financial regulation before the crisis, certainly at a global level, and even in some places at the local level. Now everybody cares, which is good, but it creates a new work stream for international coordination. This has to be organised and structured.

The London Summit in 2009 was an overwhelming success, but in a sense and with the benefit of hindsight, it is easy to coordinate when you are in a crisis. The London Summit was about spending money together, and we all like spending money together. That is fairly easy. Now that the crisis is behind us, it is not any longer about spending money together, but about reforming together, and that is much more difficult. Any reform has to be deeply rooted in the national politics and social fabric, so there has to be the right interaction between national politics, which makes reform possible in any country, and global coordination. That is much more difficult. We also see this at European level. I will talk more about that in a moment.

It is a new mode of coordination. Increasingly, as I said, emerging market economies are focusing on longer-term issues, on how to reach a sustainable level of long-term growth. We thus have to find a consensus with emerging market economies on short-term macroeconomic stabilisation and on social reform. This is something that simply did not exist. When we had the so-called Washington Consensus, it was very much imposed by the developed economies on developing economies. In that sense, it was not very legitimate and it had to change. Certainly, the OECD has a major role to play in that process of creating an international consensus between developed economies and emerging market and low income economies.

Let me finally say a word about Europe. I think Europe is relevant in the discussion in many respects because Europe remains an important part of the world economy, so anything that happens in Europe has an impact on global growth. It is important and exerts significant spillover on emerging markets and low income economies. Europe has a duty to solve its crisis, if only to help emerging market economies and low income economies stay on track on their income convergence path. This is a responsibility for Europe.

What is also interesting is that the European project in a sense is a celebration of global governance and international economic cooperation. I would compare it to a say, Japanese garden, with small works mimicking the universe. Europe is a microcosm replicating global issues. We have current account imbalances within Europe, as Kemal reminded us. We have rising protectionism. We have financial protectionism. It is an example of everything that happens at the global level.

Each of these problems should be easier to solve because European countries are closer to each other, culturally and historically. But it is proving difficult. Ángel Gurría has very kindly compared Europe to the Duomo in Milan, the Dom in Cologne or Notre Dame in Paris. He said that soon the scaffolding will be removed and we will see the cathedral shining under the sun again, which were nice words from him. I would rather compare Europe to the Sagrada Familiain Barcelona. First, it is also beautiful, but somewhat bizarre. Second, it has been under scaffolding for the last 50 years. Joking aside, I think that is a relevant comparison.

Let me come back to global coordination. We are now situation a juncture where coordination is more difficult because we have to produce efficiency and legitimacy at a global level, but all actors, for different reasons, face efficiency and legitimacy issues at the domestic level. It is most apparent in Europe, of course, but it is also true in other regions, such as the US. They also have a divided government and they are also facing difficulties in efficiently delivering growth, as we know from discussions about the fiscal cliff. It is also true in Asia, where we have a political transition in some countries, and also political difficulties between some countries.

We are therefore at a time where everybody has went back home and does homework, and then they will back at the G20 table, presumably with stronger efficiency and stronger legitimacy. There is a risk here as we cannot afford to have the major players going home to do their homework. Certainly, the biggest responsibility for Europe is to put quickly its house in order. Let me elaborate. I concur with a lot of what has been said by Kemal Dervis, but not all.

How can Europe put its house in order? Again, I will use the same concepts. Europe too has to be more efficient and more legitimate. We have to be more efficient by strengthening European institutions, and in particular those institutions that manage the single currency, and when needed by creating new institutions. This is what the banking union is about: creating a single supervisory mechanism and also a single resolution mechanism because both go together. This is institution building.

At this point, I would like to send a humble message to European politicians. We have to trust European institutions. The notion that the crisis will be solved only through intergovernmental negotiation is not true. If we want Europe to work, we have to trust European institutions. We have to trust the Commission. We have to trust the Parliament. Europe has to be efficient at central level.

We can increase Europe’s legitimacy by the basic principle that any additional sovereignty transfers or sovereignty sharing at area level has to go along with political accountability, in particular, with the European Parliament, but also maybe with National parliaments. There has to be a mix. That is basically the way forward. I hope the European Council next week will be able to approve, maybe not all the details, but at least the spirit and the direction set by the van Rompuy report.

Finally, let me just comment on what Kemal said about Greece and what he described as an unsustainable programme and a lack of European involvement. I certainly agree that the Greek programme is challenging. Everybody has recognised that. Christine Lagarde once said that it was 'knife-edge sustainability' and this is still the case. It is very challenging. As concerns European involvement, let me note that we are at a stage where the IMF will be providing less money and additional commitments are provides by Europe. The IMF played a very useful role initially in kick-starting the process and also providing technical assistance to Europe in devising and implementing conditionality. The IMF played a very important role, but as the crisis goes on, this increasingly needs to become a European solution. That is my message. Thank you very much.