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Congratulations Thierry for your courageous initiative. In spirit of a new Bretton Woods, you convened us in a wooden venue to begin with.

As a European who believes like President Pöttering that the world and Europe need a strong and respected US, I will start with a note of profound sadness on the legacy of the Bush presidency. I believe that in terms of broad political economy President Bush had two goals: Make market-based globalization irreversible, and gain further respect for the market economy throughout the world. We are seeing on number one an increasing backlash on globalization. For globalization to be irreversible it needs to be accepted. To be accepted it needs to be governed. For globalization to be governed there has to be multilateral coordination. President has not exactly favored multilateral coordination in several areas throughout his presidency. On his other goal, well, the respect for the market economy has experienced a dramatic setback. A country, which has been the mentor to all of us in terms of governance of the market economy, has reduced itself and us all to a situation, where for opponents of free markets in Europe and elsewhere this is a wonderful opportunity to invoke the American example. They will say that even the standard-bearer of the market economy, the US, negated its fundamental principles in its behavior. And this is felt even within the US. This was best captured two weeks ago in an editorial in the US edition of Time magazine entitled 'How We Became the United States of France'. The article goes back to the many criticisms of the US on France in particular about its basically being a socialist country, as we all know, and the article says that even during Mitterrand, in fact, France was much less socialist than the US has become in the last months and weeks. And I vividly remember one of many examples. When in 2004 the European Commission and France – France being represented by Finance Minister Sarkozy on that occasion – agreed after negotiations on a restructuring state aid to Alstom, the French company, in compliance with the EU states' rules, some US newspapers saw in that the conclusive proof that not only France but, alas, also Europe was socialist. Now compare this with what happened in the US more recently.

Now, this devastating situation has, in my view, a twofold impact on Europe and elsewhere – I will deal briefly with Europe –: an impact through the minds and an impact through the markets.

Through the minds, there is a big risk of an alibi. There are several countries in the world – certainly several countries in Europe, not excluding this country –, which still need structural reforms to take on board a more practical implementation of the market economy to go against foreclosures, privileges, rents. It will be much more difficult to continue to do so now that the market economy is so deeply discredited, thanks largely to the West, but it is necessary and I must say I noticed with interest the position of the French authorities right now all pushing towards a greater role for public powers and greater coordination of public powers, but at the same time moving through the *Loi de modernisation économique* towards some incisive domestic structure reforms going in the sense of more market. There are other countries which need to do as well.

The impact through the markets: The EU can be either disintegrated by this huge financial crisis if the responses are disparate and desperate, or it can find in this situation a further opportunity to improve its integration process. European integration has always, after all, developed itself through crises; we wouldn't have the Euro and the European Central Bank if there hadn't been very dramatic crises in foreign exchange markets several years ago. Now, in my view the summit held in Paris last Saturday is a first positive response with the strong determination to let this crisis play in the sense of more integration – not of more disintegration. And I also found that there was a very reasonable balance between recognizing the exceptionality of the current situation, requiring some flexibility, but without abandoning the key-pillars of the European construction, the Stability and Growth Pact, the competition rules, etc. I must say that it's a reason of concern, at least to me, to see that a country that has been at the core of the European construction, Germany, is conveying worrying signals. It was the German opposition that prevented the four meeting in Paris to propose to the others the setting-up of a community-wide fund for banks in difficulty, but then we see that yesterday Germany adopted at home a full guarantee-coverage for all bank deposits. I think that if there has to



be more state intervention in the European Union, it's quite crucial that it happens at the community level rather than at the national level.

My last remark, Mister Chairman: Why is it so important, in a phase where we need more global governance, that the European Union keeps together and strengthens its own integration? Well, because I think we have something to offer to global governance. I was at a recent conference, where somebody noted that the current phase of globalization does not have a name, a name of a sovereign. There were in the past previous stages of globalization: one was the Genghis Khan globalization, one was the Queen Victoria globalization – this time there's no name of a sovereign. And this man was saying: 'Maybe this globalization should be called the George Soros globalization'. I said that I disagree. George Soros conveys the notion of the financial globalization, which has been very important, but I observed that, if anything, two names should define the current globalization: one is Bill Gates, because this globalization is really based on information technology; and the other one is Jean Monnet, not a sovereign but a politician, because he invented the only experiment in place of governing globalization, so far only at a continental level admittedly, but the only experiment that works. This is a personal observation: I'm not unhappy that the construction of Jean Monnet, decades after, proved strong enough to make even the construction of Bill Gates observe the rules in Europe. But the community method constructed by Jean Monnet is based exactly on what we need now at a global level: on the one hand, dismantling frontiers and obstacles but having a coordination of public powers, combining the market and the social in the social market economy, which President Pöttering and Mister President of Estonia also referred to, providing a strong, on occasions tough defense of the small relative to the big in applying the rules.

Thank you very much.