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Thank you. I'd like to thank M. de Montbrial for giving me this excellent opportunity to take part in a very interesting discussion on the global governance, on ideas on governance, on the prospects for our world and what we should do to establish good governance. I have served as President for the last 8 years. I have attended all sorts of meetings, G8's etc. but I think it is the first time that I am being given an opportunity to speak about and give you my analysis on the world and how it works.

Now let me just say that I am (how shall I put it?) 'liberal-minded'. I am a liberal democrat, so to speak. I'm saying in fact that we shouldn't be so liberal, so free that the small individuals should be crushed by the larger ones, but I'm talking about the liberal market economy but also implementing programs that some so-called socialists want to implement. Now being a liberal democrat I feel that we have to not join in the chorus of the prophets of doom. As a liberal minded individual, I feel that human beings always have what it takes to overcome the difficulties, the outcome will of course depend on how we deal with the crisis, but we, in my view, have what it takes to overcome it.

Now, the current financial crisis, which has put us in a state of panic is not a haphazard event. Now I'm a neo-Keynesian President – there's not that many of us around. But I feel that given the amounts of money moving across the world, disturbing the economic situation, the significant increase of money supply that is due to the increase in oil prices and the production of OPEC that will necessarily lead to problems – makes sense in my view. Now, when I spoke to President Bush recently, President Bush said that he should intervene to support the banks, and I said to President Bush: 'Look, crises happen in the North, but they can be solved in the South'. When I read the declaration of European leaders on Saturday, there was a reference to reforming the financial system, but the question is: What is the financial system? Where does it reside? I think, more important than the financial system, we should look at the international monetary system. And the problem there is that this system was established focusing on the United States. We switched from the gold standard to the dollar standard for instance. And in a way the United States was being entrusted with a mission: providing the world with the reference currency. So there was of course going to be a problem. And then in 1971, because there wasn't enough cash for the global trade, Nixon put an end to this relationship between the gold standard and the dollar. It had to happen that the dollar would collapse and the current situation would emerge at some point or other. Now, having the Euro and other few currencies emerge on the currency market sort of offset that. So what I'm saying – and I'll just say that again: we have to reform the international monetary system. We have to look at what the new currency standard, the new monetary standard would be, and look at how we would circulate the different currencies and money supply.

Moneys should be available to those who need them, rather than to those who already have plenty of cash. I used to teach a class on the global monetary system. I used to summarize the situation as follows: There were three people walking on the seafloor; one stumbles on a can and there's cash in the can. How do you share it? One says: 'Well, why don't we split it three ways?' The other says: 'No, we can't do that – I have more needs, I have a wife and children, I need more than that.' And the third one says: 'Well, I have more needs, I have a large country, a large family, etc.'. So, they decide to turn to an economist, and they're told to show what they have in their pockets. One has five dollars; the other has ten, the other a hundred dollars. And then, we should share what you have found according to what you already have in your pockets, because that shows how much money you actually need. Well, that's exactly what happened with the international monetary system. In fact we were giving more to those who already had much more. So I think that we should look at new other ways of funding development through a reform of the monetary system, the international monetary system.

Now, people are saying that the financial system should be reformed. But the fact is that there is no financial system. There are banks, there are stock exchanges, and there is speculation – whatever you want to call it. But there is not a formal structure known as a financial system. It's in fact the result of a balance of powers in a way. But the system is really flawed, and it started of course in the United States. These people financed the housing market in the most unsustainable way. It brought about bankruptcy in the United States, and it has spread across the world. I wouldn't call



that a system as such, I would just say that this is the result of initiatives taken in the developed and powerful countries.

Now of course this ties in with political decision-making, the people will ask what sort of means we'll have to implement these new reforms. Now, at the end of this conference we will have drawn up a long list of proposals to reform all this, but then we will have to focus on the actual implementation and organize workshops here and there.

Now, what is the global political system? Well, the global political system is the UN Security Council and Africa is not on the Security Council. Now just think about it for a few seconds: Why is it that Africa, where so many problems occur, is not even represented on the Security Council? Why would it be so much of a problem to have at least one African representative be consulted when we discuss global issues? This would shed some new light and present a new take on the global situation. So, I think it all ties in to the reform of the Security Council and the issue of international justice also.

Senegal was the first country to sign the Rome statute on the International Criminal Court. Why? Well, precisely because even though we might be from Africa, we might be poor, we might be imperfect in our governance; we feel that genocide should be censured. So I promote and I'm an advocate of the current system because there are some good things in it. But we have to improve, but we can improve it only if we sit together around the table and discuss these issues. Now in the UN the other day I was delighted when the President of Santo Domingo said after giving a speech on the global crisis, turning to all of us in the North and the South, that we have to think about these things. Because it not only the North that you can find brains and intelligence and initiative. So we have to work together to try and find solutions. So, I think that if we want to change the world, we have to take it progressively, over time, step by step, in peace and not in conflict, and through an exchange of ideas as we are doing this morning.

Now, I won't go on much longer, but let me just say, by way of conclusion, that we shouldn't feel that the people in the North, locked up in their offices, can solve the global problems. We have to involve Africa: it is a great continent, with eight hundred million inhabitants, and soon we'll have one and a half billion people; a continent that is already a market, that is full of resources. We have to take this continent into account, and to take its concerns and needs into account. Now, if we want to step back and think about these things, we have to remember that civilizations and science and development started on the shores of the Mediterranean and crossed the Mediterranean, went up North. And these trends of development then crossed the Atlantic to the United States because there was a new, 'virgin' territory so to speak, unburdened by History. The Americas are now at the heart of global development but they seem to be turning round and round in circles. Most of American investments are made in the United States. Now, I'll just remind you what Carnot, the physicist, said: A system cannot go on forever if there are no ties with the outside world. So it makes sense that the United States would collapse in that way.

So, what's the output, what's the destination of development? It's Africa. Now, I come from the South, of course. There'll probably be an impact of the crisis in Senegal. Now, maybe you can reform the banks, you can steal money from the taxpayers as is happening in the US or in Europe, and support the banks so that you can go on working. Of course, yes, you can do that. But in my view the real solution is to invest all that cash that is causing inflation and instability in Africa. And this will enable us to establish stability in the long run.