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Thank you very much. Kemal Dervis.

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Thank you. Let me try to make a few points. Perhaps as an economist, to go to the economist side of things, we heard a masterful summary by Jean-David Levitte of what happened. However, when looking at the European economic situation and comparing it with some of the problems in the world I do not want to let the opportunity pass to underline that what Keynes emphasised, after the Second World War when he was trying to build the international monetary system, which was that for every deficit in the balance of payments there is a surplus. With the adjustment in Europe – and there is deep need for adjustment and it has many dimensions – I do not believe that there can be a successful end of the story without the surplus countries – the north, particular Germany but not only Germany – accepting that they also have to make an effort so that their surpluses do not continue at very high levels. At the end of the day, as I said, every surplus has a deficit on the other side of the mirror.

In that sense, it is interesting to compare the discussion on China and the Chinese surplus, and I have the Vice Minister next to me. I think that China has acknowledged that while Chinese growth is very important and needs to continue and Chinese competitiveness is good for the world economy, a too-large Chinese surplus is a problem and China itself wants gradually to reduce that surplus in terms of the overall world economy. There is therefore a similarity between what we are seeing inside Europe, with these huge balance of payments surpluses of the Netherlands and Germany, and what we are seeing in the G20 and the wider world. I think that it is worth thinking about these similarities when we think about the lessons of Europe as well as the lessons from the rest of the world for Europe. I very much hope that the plans will be successful but, while the southern, Mediterranean countries – in this case, Greece, Portugal, Italy and Spain – have major adjustments to make of course, I think that it would be quite one sided and, from an economic point of view, wrong to say that they are the only ones that have to adjust.

That is the first point that I would like to make. The second point came up in the discussion and again it has a global counterpart. This is the issue of people/citizens versus Governments. Clearly, in Europe, but not just in Europe, also in the United Nations and in other international settings, there are always two dimensions. There are the citizens, the people of Europe, and then there are the Governments of Europe. It is true that the Governments are democratically elected and represent the people, but nonetheless purely inter-Governmental processes over time tend to lose the emotion and enthusiasm that come from people politics.

I do not think that Europe or indeed the world can move to a world of citizens or individuals or people only, away from the world of Governments and nation states. I think that both will stay. However, the balance between citizens and nation states, particularly in Europe now, I believe that a significant increase in the space for pan-European politics has to enable the integration process that Jean-David Levitte and others told us about. I do not think that this integration process – and President Ilves mentioned the deeper and stronger integration in Europe – can work unless there is a strengthening of what I would call pan-European democracy. I think that that goes with having the European Parliament more enabled, and possibly the direct election of either the Head of the Council or the



President of the Commission by European citizens. Things of that kind are going to be needed in the end if the more integrated fiscal and economic policies of the euro zone are really going to work. Otherwise I think that the gap between the technocrats, the economists, the summits and the Councils and the everyday life of citizens will be too great and that will be the main obstacle to the success of Europe.

I live in the US now and it is quite clear that the allegiance to the federal structure of the United States by American citizens is very strong, even though some of them are recent immigrants. The allegiance to Europe that European citizens have to feel for it to work, even if it will not be like the US for a long time, must be a political allegiance and enthusiasm for Europe rather than just for the individual states of Europe.

I would like to give one example of the importance – although I am an economist and a technician, in a way – of feelings and values using the opportunity of being on the same panel as His Holiness the Patriarch, who is, as he said, an inhabitant of Istanbul and a Turkish citizen of Greek ethnic origin. Perhaps we are little over-represented on this panel with two Turks. I think that nothing contributed more to the coming together in terms of feelings and sentiment and the improvement of the relations between two neighbours, Greece and Turkey, than when the then-Foreign Minister, George Papandreou, sent a Greek rescue team after the terrible earthquake in 1999 in Turkey. The Turkish people saw that this Greek rescue team was there saving children from under the rubble in the earthquake and there was then a smaller Greek earthquake and the Turks reciprocated and sent their team.

I am giving this as an example that politics cannot be just the cold calculus of national interest or the cost/benefit analysis of economics. There has to be something more to it. There have to be values, which His Holiness and President Ilves talked about, and I think that beyond the budget deficit, fiscal rules, the 3% of GDP deficit and so on, Europe in some ways has to renew the kind of enthusiasm for building a new world that was there at the origin of the European project. I hope that that will happen and I think that this battle is probably as important as the battle on deficits and debt.