



JOSEF ACKERMANN

Chairman of the Board, Zurich Insurance Group Ltd; Former CEO, Deutsche Bank

Thank you for your charming introduction. Ladies and gentlemen, when I was asked about an hour ago by Jean-Claude Trichet if I would be willing to say a few words about trust I asked myself 'Why ask a banker?' – or even a former banker in my case.

It is only too easy to put all the blame for the financial crisis and all the troubles that ensued on bankers.

Bankers certainly should take full responsibility for all the things that went wrong in their industry over the past decade. It is also important to identify and point out inappropriate behaviour and excesses, sanction them and do everything to prevent them from being repeated. If we try to gloss over or even cover up these things how could we possibly earn people's trust?

But the causes of the financial crisis are much more complex and manifold. In fact if everybody, bankers as well as politicians and regulators alike had fully admitted what went wrong in their own sector, the public at large would by now have a much better understanding of the causes of this crisis, the remedies we should adopt and the means we should employ to prevent such crises to repeat themselves in the future. The world would be in better shape.

Reforms and new initiatives are needed in many sectors to improve the state of this world and rebuild trust that has been lost – bankers on their knees won't get us far in this respect, I'm afraid.

We heard this morning about international capital flows and the shift in the global balance of power towards the East and the South. People in the North and the West are very concerned about what that means for them mainly, but not exclusively in terms of their future standard of living. They are looking for convincing answers from bankers, as well as politicians, businessmen and others telling them that this rise of other nations doesn't necessarily mean decline for themselves. I think that this kind of honesty, readiness and ability to work together would build a lot of trust in this world.

I am also strongly of the opinion that we need a more intensive dialogue between the different constituencies in our societies, beginning with political and business leaders but also academics, Non-Governmental Organisations (NGOs) and the general public. Business leaders have to adopt a higher profile and need to speak up in TV shows and the mass media – which surprisingly very few people actually do. But if we don't, others will and determine public opinion on these issues. It is our responsibility and it is also in our long-term interest to speak up and answer people's burning questions.

To instil new trust into the future here in Europe we need – and I say this as a Swiss citizen, and I say it also in my home country – a united Europe.

The elimination of war in Europe, which was the main motivation of the founding fathers of the EU, is still very important. However, in my view, it is not important enough by itself because the younger generation has never seen war in this part of the world, which is a very good thing, of course. That is why we have to find a new vision and goal for a united Europe. In my view, one such goal is that we need a united Europe so that we are able to negotiate at the same level with other large blocs in the world. Just last night I returned from China. China is getting more and more powerful and its leaders are not asking for telephone numbers in France or Germany. They want one telephone number for Europe and that is why a united Europe is so important for us and even more for the future generations. They will be able to preserve their welfare, their cultural achievements, their civilizational achievements, their identity, independence and in the end their liberty only within a united Europe.

The current focus in Europe on austerity and fiscal discipline is important: but we have to think in a more multi-dimensional way and see that instead of increasing cohesion, which obviously is a prerequisite for a united Europe, we are at the moment creating mutual resentment. 'The Germans are asking for too much and the Greeks do



not work hard enough'. This will not bring us closer to a united Europe. Here again, business and political leaders have to speak up and talk about this much more openly and explain to the average person in the street that and why a united Europe is absolutely key.

Having said that, for business people as well as politicians the most effective way to restore trust – now and in the future – is job creation. Unemployment rates of over 50% of young people in Spain and Greece and 30% or 40% in Italy are unacceptable by any means. They are jeopardising the stability and security of the region and the goal of a united Europe. But if we do it right, if we overcome this present crisis, the overindebtedness and the unemployment, and I think we can, then for the first time Europe will have achieved something big together, will be a winner. We have China playing against the United States or India playing against Brazil but, apart from one exception, which is the Ryder Cup in golf, Europe doesn't figure as a team France still plays against Germany and Austria against Italy and so on. Under those circumstances it is difficult to build a common identity. We need more positive joint experiences. That is why it is so important to win. Nothing is more successful in building trust than success. The financial sector has to play an important part in this crucial game by serving not just to the real economy, but to serve society at large. Thank you.