

## MARI KIVINIEMI

Managing Director of the Finnish Commerce Federation, former OECD Deputy Secretary-General, former Prime Minister of Finland

**Jean-Claude Trichet, European Chairman of the Trilateral Commission, former President of the ECB**

Let me turn now to Mari Kiviniemi, 41<sup>st</sup> Prime Minister of Finland, as I already said. What we are expecting from you and after all, you have the last word, is to benefit from your understanding of the very complex, multilayered, and multidimensional issue we are dealing with.

### **Mari Kiviniemi**

Thank you very much and thank you first of all for the invitation, I am so happy to be here. Again, thanks to Thierry and the organizers for letting us discuss this interesting theme here today. A lot has already been said and it is always difficult to be the last speaker and find new angles to discuss. However, a question I would actually like to answer is did Covid-19 change something? Did it mutate globalization in a certain direction? Actually, in a way it was good for globalization, and at least it brought in some new elements. I think that the positive aspect is that it underlined the essence of international cooperation and multilateralism. It put the need for global action very high on the agenda, like cooperation in vaccine production and delivery, as well as joint measures preventing the virus from spreading. It showed how dependent we are on each other and in that sense, it also made us see how important it also is to make sure that in the future we can ensure that global value chains continue to function. It made visible the importance of having very good international cooperation but also exposed some flaws when it comes to taking care of the pandemic and organizing everything.

Another positive is that it actually did not trigger increased willingness to implement unnecessary trade and trade-related protectionist measures in the area of goods, as Minister Bark has already mentioned. For example, when you look at the report prepared by the WTO and the OECD on the G20 countries, you can see there that since the outbreak of the Covid-19 pandemic 140 trade and trade-related measures have been implemented in the area of goods by G20 economies. Of those, 72% facilitated trade and only 28% could be considered to restrict it. However, looking at the trade facilitating measures, you can also see that they have been rolled back faster than trade restrictions. Care has to be taken to see what is happening.

Another good example of positive progress is the tax agreement in June where 130 jurisdictions updated international tax agreements concerning multinational enterprises. Therefore, the world has taken some very good steps. However, many of you have already pointed out that it is challenging to govern the international order and really make sure that the

rules-based international order can manage the biggest challenges facing us. I think that Covid really made two megatrends visible where this international rules-based order is needed, namely digitalization and climate change. It is of utmost importance to have better multilateral governance frameworks in these areas and international rules. For example, when it comes to digitalization, we really have to be able to facilitate the digital transformation of our economies and really create effective values-based digital regulatory frameworks and state-of-the-art global standards. Bertrand has already mentioned that when it comes to climate change there is a need for a comprehensive global carbon pricing system. That is one of the concrete tools that we should really achieve in order to tackle climate change with rules decided together at a global level.

It is still a bit disappointing that although we have seen the importance of deep global cooperation also during this pandemic we still face protectionist and populist threats that could unravel the decades of international cooperation and openness. I think that we really have to put people at the center, and this is the real political question, as Masood said earlier in his intervention. We have to look at the national level and national policies and there is no silver bullet and I think we have been kind of discussing how to make everyone see the benefits of globalization and the kinds of policies that should be implemented to make it work for everyone. I think that we already have all the element onboard, but we need more information, and we must also tackle misinformation. It is alarming that many countries do not have specific policies or frameworks to guide the response to misinformation and disinformation. Spreading information and tackling misinformation are the tools we should be using to help show everyone the benefits of globalization.

The third point, as I already said, is the recipe for making it politically accepted and really move forward on global governance, as well as making sure that globalization really works in the future. In many countries we have not been able to make sure that the benefits of globalization are shared equally, and everyone has the opportunity to participate in society. We really need to pay attention to that and make sure that everyone has access to education, that there are active labor market policies, social protection, etc. I think those issues have already been mentioned many times when it comes to the recipe for helping people understand the benefits of globalization and how to make it work better for everyone.

Thank you.

### **Jean-Claude Trichet**

Thank you very much, Mari, for the stress you have put on fair shares of the bounties of globalization as one of the major problems we have to handle. I am struck by the fact that all the members of this panel have highlighted the acceleration of underlying trends, the formidable amplification and acceleration through all possible dimensions. It seems to me that in some respects the speed limit has been broken and our own people are saying: "It is going too fast, please cool down and try to go slower." The problem is that we cannot!