

DEBATE

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

Anyway, it was very stimulating, and I am sure that we will have questions from the audience so I will open up the Q&A part of our session. I urge you to keep your questions as concise as possible and direct them to one of the panelists if possible.

Who wants to take the floor?

John Andrews, Contributing Editor to *The Economist* and *Project Syndicate*

Thank you very much for very interesting interventions. In terms of the rivalry between China and the United States, I think that China now has more trading partners, more countries take China as their main trading partner than the United States. If we have this confrontation between the US and China, at the political level and also at the economic level, is the world going to have to make a choice between China and the US? Or is there a way of avoiding that choice? In other words, are we on an inexorable pathway toward some kind of divided economic and trading world or can we somehow avoid what I think would be a rather damaging and unfortunate destination?

Jean-Claude Trichet

Thank you very much. Perhaps I could ask Thomas to say a word on this very stimulating question, as well as Yuichi Hosoya, if he would like, and you Minister.

Bark Taeho, President of Lee&Ko Global Commerce Institute, former Minister for Trade of Korea

This question is frequently asked to Korean companies, whether you choose this or that. If you look at China, it has been the world factory for many years, but that is now changing and because of high wages in China, many companies are already moving from China to ASEAN and other countries. Korean firms have a different strategy because they want to use China as a big market in the future, not the producer or assembly site, so I think that they will try to export final goods, particularly consumer goods to China which they produce in Korea or ASEAN. However, if the United States wants decoupling by force or argument, then the Korea firms will have a problem.

Jean-Claude Trichet

Thank you very much. Yuichi Hosoya, a word on that question.

Yuichi Hosoya, Professor of International Politics at Keio University

It is a great question and I would say that a majority of Asian countries are denying and rejecting such a choice. Let me give you an example. Japan has an alliance relationship with the United States, so we have to enhance our alliance with the United States. On the other hand, China is our biggest trading partner, and Japan has provided the biggest amount of ODA to China in total. My Indian friends tell me that the current powerful China is a Japanese creation. I would not say that China is our threat. This means that we need to create a regional order with China. I often find that China needs to abide by the importance of our rules. If China does not respect these rules, then China would damage its own national interests. I think that this is the majority voice in Asia, but it depends on how much China is willing to respect such rules and the rule of law, international laws. I am quite optimistic about Chinese behavior in the future.

Jean-Claude Trichet

Thank you very much. It really was an important question. We will take another question and I would like to reserve around seven minutes so that we can each have a last word, the main conclusion in 60 seconds. We will have a question but I want to finish on time. Is there a new question from the audience?

Fareed Yasseen, Ambassador of Iraq to the United States

I have God knows how many iPhones. When I buy iPhones, who do I trade with, China or the United States? Can somebody answer this question? I believe these things are made in China but they are American. What I am trying to say is that when I buy something that is made in China but that is American, who am I trading with?

Jean-Claude Trichet

I am sorry, I am not sure I got the question.

Fareed Yasseen

My point is that they are so integrated that you cannot separate them in many things.

Jean-Claude Trichet

It is so profoundly intertwined that it would be very difficult to disentangle. Okay, I got the message. We also had another question there.

Mona Makram Ebeid, Egyptian Senator, Advisor to the UN High Representative for the Alliance of Civilizations

Thank you, sir. I would like to address my question to the Minister of Finland, who I thought was very stimulating in talking about the need for global solidarity and global cooperation in the light of the pandemic. However, I can say that European states have been extremely egotistical in this particular field and there is a great deal of inequality between the different countries in terms of providing the means to fight this pandemic. It was very unequal, and we

are very sorry about the lack of global solidarity and global cooperation in this particular field. Thank you.

Jean-Claude Trichet

Can I say that you could address the same reproach to all advanced economies, not just it seems to me, the European ones? You know what, we will start the conclusion session with Mari, because you have a question and you can also conclude.

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

That is a very good question and I really think we need more solidarity when it comes to effective delivery. Of course, all developed countries have done their part, including the European Union and the United States, so you cannot say that there was no solidarity, but more could have been done. However, I understand that the ministers in European and other developed countries have to answer to their citizens and they need the vaccines rapidly.

Partially answering the question about where iPhones are produced, it really shows us how interdependent we are. The vaccines going to developing countries also benefit the developed ones because of the global chains and raw materials. In that sense, we really are on the same road, and I hope that we will soon see the end of this pandemic, that we have also learned from it that we need more solidarity because it helps everyone, including your own country.

Jean-Claude Trichet

Thank you, Mari. Yuichi, you have 60 seconds for your final message.

Yuichi Hosoya

Thank you very much. Actually, around 70% of the components of Apple's iPhones come from Japanese firms. This also tells us that in this globalized world, we have to accept the reality of global supply chain that make iPhones possible.

Jean-Claude Trichet

You have 60 seconds, Bark Taeho.

Bark Taeho

I want to introduce the situation in Geneva surrounding the WTO. First of all, as you know well, agreeing on something is almost impossible at the WTO. At the moment, the some WTO members are arguing that maybe plurilateral agreements among like-minded countries should be allowed while some other members oppose this approach because it undermines the multilateral trading system of the WTO. Recently, the Brazilian Ambassador argued that if you are given a choice, which should you choose, fragmentation with plurilateral agreements or irrelevance of the system? This simplifies the situation at the WTO right now and I think we should choose fragmentation rather than irrelevance for the future of the WTO.

Jean-Claude Trichet

A point very well made. Thank you very much. *Bertrand, que diriez-vous ?*

Bertrand Badré, Managing Partner and Founder of Blue like an Orange Sustainable Capital, former Managing Director and Chief Financial Officer of the World Bank Group

I am going to make a very simple point. Six years ago, we agreed on a global roadmap for the 21st century, a roadmap for an inclusive, sustainable, and resilient economy, that is the Sustainable Development Goals, the agreement for financing for development and the Climate Agreement. It is impossible to redraw an agreement today, so let us stick to what we have. It is not perfect, and it is very difficult to manage but everybody has signed it, so it is time to be serious about it. I think we have all the pieces of the puzzle and we have never before had so much money available or that much technology. We have all the institutions, so we do not need to reinvent the G20, etc., they exist, and we need to make them work, which is obviously easier said than done. We have to make the puzzle work.

Let me conclude with two quotes that I like, and I think are important today. One is from a not very well-known French writer of the 1930s, Jean Giraudoux, but my daughter actually had to read him this summer for the baccalaureate. He wrote a play in 1935 called *The War of Troy will not Happen*, which of course was in anticipation of the Second World War. There is a discussion between Odysseus and Hector, who see the catastrophe coming and they say, "The privilege of the rich and powerful is to believe they can watch a catastrophe from the balcony". As we very well know, if the catastrophe happens the balcony will also collapse. I think we are on the balcony and we see these things coming. We have hope and we have to take particular responsibility in this too. My last quote is from Theodore Roosevelt, who I rediscovered in the US when I visited Mount Rushmore; I had not realized he was the fourth guy after Lincoln, Jefferson, and Washington. He was known for dismantling the conglomerates and creation of a consumer protection agency, the national parks, etc., and he was accused of being revolutionary. He said, "I am not advocating revolution, I'm advocating action to prevent revolution." I think this is precisely where we are today.

Jean-Claude Trichet

Thank you very much for your quotations. Masood, what would you say?

Masood Ahmed, President of the Center for Global Development, former Director of the Middle East and Central Asia Department of the IMF

I just want to make one point. If you take the next 30 years, no global solution will be possible in almost any field unless a large number of emerging markets and developing countries are part of that solution. That is where the growth is happening, where emissions will increase, and populations are growing and that is not reflected in the systems we have to integrate them into the decision-making process. We have to really find better ways of integrating those economies into the decision-making process and we have to be more realistic in the promises we make because we are very good on targets and promises, very poor on delivery. That is why you see in so many areas, we make promises and if you were to say what one real cost of the Covid crisis is, it is a breakdown of trust. Many people in developing countries have lost



trust in the functioning of the current multilateral international system because the promises that were made are not being delivered, either in finance or access to vaccines. I do feel that we have to redress that balance so that we can move forward and address the other issues.

Jean-Claude Trichet

Thank you very much, Masood. Nevertheless, If I may, I will mention that thanks to globalization we have many, many millions, billions of citizens who have been brought out of poverty. We know that the benefits exist but inequalities, the abnormal behavior of the rich vis-à-vis the poor are at stake, as you so eloquently said.

I have a quotation myself, from Noam Chomsky, who said, "No sane person is opposed to globalization, that is, international integration. Surely not the left and the workers movements which were founded on the principle of international solidarity." Of course, good globalization, good global governance, fair sharing of the bounties, are absolutely at stake at a global level, between and within countries.

Thank you very much. I think we had a very stimulating session and now we have to go onto the next one.