

## DEBATE

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

We actually have 20 minutes left so I'd like to open it up and see if there are questions or comments people would like to make from the floor, and if you could respect the same punctuality that the panelists have done, we'll get many of you in. Who would like to lead off?

**Meir Sheerit, Former Member of the Israeli Knesset, former Minister of Intelligence Affairs and the Committee of Atomic Energy, former Minister of the Interior**

Thank you it was very interesting. My question is to all of you. The stock market has fell down very drastically all around the world. I am interested to see what do you think about the future of the stock market and more than that, what will be the future of the cryptocurrencies because it seems to be that it is diminished totally from the system?

**Masood Ahmed**

Investment advice! Now, someone over the back there.

**Fathallah Oualalou, Senior Fellow at the Policy Center for the New South, former Minister of Economy and Finance of Morocco**

Je vais parler en français, si vous permettez. Les analyses, qui sont très intéressantes sur la fragmentation, semblent rattacher celles-ci aux découplages économiques et politiques souvent liés à ce qui se passe maintenant : la guerre d'Ukraine. Il me semble que les bases de cette fragmentation ont commencé au début du siècle. Certes, en 2001 la Chine est devenue membre de l'OMC, source d'interdépendance, mais en même temps elle a créé avec la Russie l'Organisation de coopération de Shanghai qui s'est élargi maintenant et qui est peut-être une base de nouveau non-alignement. Et puis il y a eu la crise 2008 avec la montée du G20 qui se substitue au G7 souvent, et puis les BRIC. Et puis ce qui se passe maintenant. Ce qui se passe maintenant c'est essentiellement, me semble-t-il, un développement d'un multi-alignement. Je vous demande de penser à ce qui se passe ici dans la région : le voyage du président chinois en Arabie Saoudite et au Golfe, son sens et ses conséquences sur la fragmentation.

**Masood Ahmed**

Merci beaucoup. There's also Monsieur Severino over there. Then we'll come to the lady in the front row after that.

**Jean-Michel Severino, President of the Supervisory Board of Investisseurs & Partenaires, former Director General of the French Development Agency, former Vice-President for Asia at the World Bank**

Merci de ce panel passionnant. Il y a un point que vous n'avez pas abordé et qui est le sujet de la migration, des migrations. Je serais très intéressé de savoir comment dans votre perception cette question de l'immigration joue dans la coopération ou l'absence de coopération internationale, son impact sur la géopolitique actuelle comme sur l'organisation internationale. C'est un phénomène qui affecte la planète entière, l'Amérique comme l'Europe. C'est un sujet fondamental pour cette région. Comment joue-t-elle dans votre vision du paysage globale ?

**Masood Ahmed**

Thank you, Jean-Michel. And then there's the lady in the front right here.

**Dania Koleilat Khatib, Co-Founder and President of the Research Center for Cooperation and Peace Building (RCCP)**

Thank you very much for all the panelists. I have mostly a comment and it's a comment on what Madame Touré said. She said how come Africa have 57 countries and they don't even have one seat on the UN Security council. Don't you think that the whole world order, starting from the Bretton Woods, you know whether IMF world, WTO, the whole system, the world system had favored the West, the developed countries on the expense of the developing countries, which basically somehow endure their development? Thank you.

**Masood Ahmed**

Thank you. And then there's the gentleman just behind her.

**Riad Tabet, President of Berit International Holding SA, President of Batiliban-France, Franco-Arab Consortium for development, board member of the executive committee of the Franco-Arab Chamber of Commerce, Paris**

Merci beaucoup. Au regard des problèmes évoqués et les défis et distorsions entre le Nord et le Sud, l'Est et l'Ouest, pensez-vous que les organisations internationales et les institutions des Nations unies tels que le FMI sont encore capables de répondre à ces défis ou nécessitent une réforme ? Merci.

**Masood Ahmed**

Merci. I think there's the gentleman just behind and then we will close.

**Randy Kotti, Engineer of the French Corps des mines**

Thank you very much. In line with that question, there was quite some controversy this summer about the president of the World Bank being called a “climate denier”. Do you think more broadly that the international organizations should be reformed in order to put climate change more at the center of their action? Thank you very much.

**Masood Ahmed**

Very pertinent. Thierry, do you have a question?

**Thierry de Montbrial, Founder and Executive Chairman of Ifri and the WPC**

After the remark of Monsieur Oualalou a few minutes ago, I'd like to confirm that Prince Faisal bin Farhan Al Saud, the minister of Foreign affairs of Saudi Arabia, will be with us on Sunday afternoon. I think that will give us an opportunity to discuss the foreign policy of Saudi Arabia.

**Masood Ahmed**

Thank you so much for mentioning that. I think there's one final comment over there, and then we'll come to the panel.

**Philippe Chalmin, Founder of Cercle Cyclope, Professor at Paris-Dauphine University, Consultant for various International Organisations (OECD, EEC, UNCTAD), Professor of Economic History and Director of the Master of International Affairs at Paris-Dauphine University**

Je vais le faire en français.

**Masood Ahmed**

Je vous en prie.

**Philippe Chalmin**

Bertrand Badré a cité Candide. Est-ce que, Bertrand, tu ne penses pas que malheureusement nous sommes dans un monde où chacun cultive son jardin mais de manière très différente ? À l'époque de Voltaire, on voyait disparaître les jardins à la française pour se développer les jardins à l'anglaise. Aujourd'hui il y a quand même pas mal de meurtres dans des jardins anglais. Je suis un tout petit peu inquiet parce que, je suis bien d'accord, chacun cultive son jardin mais chacun a une vision du jardin de l'autre différente de la sienne. Et ça, c'est quand même une certaine forme de démondialisation, y compris de nos valeurs.

**Masood Ahmed**

Thank you very much. Can everybody's garden look different, or do they have to look more and more alike to be global? OK, I think we have some very interesting questions, and I am going to just go to the panelists to ask them to pick up on whatever questions they think they would like to answer. There are investment advice on stock markets and crypto to start with, the issue of migration, whether the world system itself has been designed in a way that takes into account the needs and interests of developing countries, do the international institutions



have to be in some ways renewed to focus more on climate change and what about this issue of globalization and deglobalization. Madame Touré, on va peut-être continuer dans le même ordre.

**Aminata Touré, Member of the National Assembly of Senegal, former Prime Minister of Senegal, former President of the Economic, Social and Environmental Council of Senegal**

Yes, well about the system: obviously, if we go back to 1948, when we were designing even the UN system and other cooperation organizations, most of the African and Asian countries were under colonization and we have been carrying all these bags since then. And obviously, they are not fit – that's the least we could say about it – and they need to be reformed. The first reform is starting by giving a permanent seat to Africa. I think African countries have been consistent with that. It is very interesting how when we start talking about globalization, China invites itself as a main topic. That is a pattern I observe everywhere which speaks to how powerful they are – whether we like it or not, which does not matter to them anyway – but what we have to see is that, from where I am sitting again, which is Africa, we are saying this is a model that we need to have because, as you pointed out, drastically over 30 to 40 years, poverty went down at a rate never seen before in history. This is now a powerhouse in the international scene so why don't we do that. I think our traditional partners have to be very aware that, for African leaders, China is going to remain as a key player. Of course there is no free money but there has never been free money dealing with the West either, on the contrary. So, I think if we would like to keep doing business together we'd better pay attention to what is going on in the relationship between China and Africa which is a mineral-rich continent and is going to be the same for a long time. So I think the question is posed to OECD countries and to other international partners who want to make money in Africa. Second, the issue about migration which is part of the struggle that we have with Europe mostly: I was reading yesterday that there is a lack of [...] workers obviously but yet you do have unfit migration regulations which is more of a psychological barrier than a decision that makes sense. Europe needs young workers obviously but of a certain type according to waters. You want them to look like Europeans but it is not going to be the case because Europe is a very old continent and the only workers you can get will be mostly people that don't look like Europeans. That is also something that Europe needs to deal with. Europe reminds me of old castles [whose] foundation is aging, and you need to make some maintenance so I think this type of forum helps us to move forward because we have to go to the bottom line of this issue if we want to find solutions. I think there is a way for good cooperation on a win-win basis. In Africa you now have strong movements of youth and mind you 70% of the population is below the age of 35 so talking to them about the past is not relevant. What they want to see is solutions now and if we would really like to build a healthy relationship – and somehow because that is the issue of OECD countries contain, meaning the expansion of China – is to redefine the way we do business. Thank you.

**Masood Ahmed**

Thank you very much. Ok, let us take two minutes each please.

**Jean-Marie Paugam, Deputy Director General of the World Trade Organisation (WTO)**

Thank you. On stock market we are more concerned about the consequences and the causes at the WTO. Consequences could be financial crises in developing countries which are already struggling with their food bills which are very high because of the inflation.

Sur la question de la fragmentation et de la Chine posée par Monsieur Oualalou, d'abord, la Chine ne cherche pas du tout, en matière commerciale, des alternatives au système multilatéral existant, au contraire. Elle aime beaucoup l'OMC, elle a des intérêts dedans, elle a d'ailleurs offert à l'OMC un très beau jardin chinois qui est dans l'entrée. Cette attitude montre une certaine intention de rester dans l'institution. Pour comprendre la dynamique, il est intéressant d'observer la guerre commerciale Chine-États-Unis. Une première étude, qui n'est pas de l'OMC mais du Peterson Institute, nous apprend plusieurs choses. Premièrement, cette guerre commerciale n'a pas conduit à un découplage entre la Chine et les États-Unis, le commerce a continué à progresser. Deuxièmement, elle a produit exactement les effets escomptés : les sanctions tarifaires américaines visant certains produits, notamment des produits intermédiaires et de technologie, ont sérieusement réduit le commerce de ces derniers, tandis que les produits qui n'étaient pas visés, tels que les consoles de jeu à destination des jeunes Américains, pour éviter des problèmes politiques ont vu leur commercialisation augmenter. Je pense que la globalisation du futur ressemblera à ça, des décisions plus complexes, plus sélectives. Il y aura de la fragmentation sur des produits de haute technologie, de type semi-conducteur, voiture électrique, etc. mais pas nécessairement sur le panorama global.

La question de l'immigration se traduit dans le commerce par la question des mouvements de personnes physiques dans les services. Et là on revient sur ce qu'Aminata ou Bertrand ont dit, c'est-à-dire l'opposition Nord-Sud. C'est-à-dire que dans l'héritage des règles c'est un secteur qui est moins libéralisé que celui des biens parce qu'il fait partie des asymétries qui compliquent beaucoup les négociations. De fait, les pays qui ont un intérêt à l'exportation de ces prestations de services par la main-d'œuvre considèrent qu'il faut d'abord remettre à niveau avant de libéraliser d'autres secteurs.

And last, on the question about Africa and global governance, I think in the WTO we witness Africa claiming its voice more and more. Of course, our leader is an African, which is not by accident. It means something. Second, Africa is more and more invested in negotiations. I will just take one example: our dispute settlement system has been weakened by the US and Africa is pleading for its restoration. What is really interesting is that Africa was not a user of the dispute settlement system. There are very minimal cases where Africa has been involved in a trade dispute, that means Africa is interested in having non-discrimination principle being enforced in the WTO in the future.

**Masood Ahmed**

Thank you very much, Vincent.

**Vincent Koen, Deputy Director of Country Studies at the OECD**

Thank you. I'll take the stock price and crypto question and the migration one just briefly. The fact that stock prices have suffered is no surprise with interest rates moving up and bound to



move up further. After years and years of negative interest rates, or free money, there was an asset bubble clearly, and it is now popping. On crypto and its collapse, I think this illustrates the need to regulate crypto and more generally the shadow banking sector more carefully because those developments can have systemic consequences. On migration, I think it is interesting to see the differences between OECD countries, some countries have welcomed migrants with open arms on a big scale, for example Sweden. Others are more reluctant – Korea, Japan traditionally – but even in Korea and Japan, where they tend to prefer robots to immigrants they are now employing more and more immigrants. It is not necessarily an open policy in Japan, for example, but it is clearly a trend, from a very low base but it is moving up.

### **Masood Ahmed**

Thank you very much Vincent.

### **Kim Heungchong, President of the Korean Institute for International Economic Policy**

I am going to talk very briefly about China which has contributed to the world economy after joining the WTO. China explored the idea that disinflation, deflation, or price stability for the last two decades has also created a market, that is a good aspect of China but now I think that the world is still in the aftermath of the global financial crisis so for more than 15 years we have been suffering from it. In addition, given the relations between Saudi Arabia and the United States now caused by the necessity of cooperation between the two countries in terms of natural resources and oil, I think that Saudi Arabia will be more independent from Western countries. All the BRICS countries have also welcomed Saudi Arabia's application to join them. In June, we had the G7 and the NATO summits but do not forget that there was the BRICS summit as well so India's Prime Minister Narendra Modi was very busy as he participated in the BRICS summit, followed by the G7. My last point is about the reform of the international organizations. I think that international organizations have played a very good role but now it is time to really think about the reform of the international organizations especially the United Nations and its Security Council, and others. We have been talking a lot about cryptocurrency and many other issues but the main problem is that we have no global governance, no global regulations to cover all these rules which is one of the main reasons why we cannot fix these old problems speedily.

### **Masood Ahmed**

Thank you very much, Jeff.

### **Jeffrey Frieden, Professor of Government Studies at Harvard University**

On equities and crypto we had very very low negative real interest rates so we had bubbles in other asset markets and now interest rates are rising so those bubbles are all bursting and that will continue for the foreseeable future. In my view most of those bubbles should burst, it is a positive development. Quant à l'immigration, je dirais que le paradoxe est que les pays qui ont le plus besoin de l'immigration du point de vue économique sont les pays qui la rejettent le plus pour des raisons politiques. Cela ne changera pas, ce sont des réalités politiques quelles que soient les nécessités économiques. That brings me to a general principle. I am an academic, I deal in Whys and Whats, not Shoulds, that is "why does the world look the way it does?", "what is the way that the world looks?", whatever our shoulds



may be. I think it is important to have that in mind and that brings me to this point about the Bretton Woods or post-war institutions and the possibilities of other institutions. Sure, the post-WWII, with the reigning international economic institutions definitely obey the golden rule which is the people who have the gold get to make the rules and it is no surprise that those who made the rules in the post-war period made rules that favor them. The countries that were and have been successful were not successful because of the non-alignment movement which had no positive impact on developing strategies. For the countries that were successful, the ones that played by the rules – whether it was Korea, China or others – that is going to continue with the creation of a new axis whether it is Russo-Chinese or some other form is not going to happen, not in the foreseeable future because, as I said and as others have also echoed, the OECD is not the only game in town but it is the only realistically significant one for developing countries. That is the reality, which may be unpleasant but it is the reality and it is the reality that developing countries are going to have to live with.

### **Masood Ahmed**

Thank you. Bertrand.

### **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**

Merci Masood, je vais parler en français. Sur les cryptomonnaies et les marchés, je n'ai pas beaucoup de commentaires. Je rappellerai juste que Warren Buffett avait dit en 2008, peut-être certains s'en souviennent, « c'est quand la marée baisse qu'on voit qui se baigne sans maillot ». J'ajoutais perfidement à l'époque qu'on a découvert qu'on était dans un camp de naturistes, il n'y a pas beaucoup de maillots. On l'a vu en Grande-Bretagne où, au moment du mini budget de Liz Truss, on a découvert que les fonds de pension anglais étaient plus fragiles dans leur structuration qu'on ne le croyait. On le voit aujourd'hui sur les cryptos et il y en aura d'autres. On va découvrir des tas de choses sous l'eau qui ne sont pas très plaisantes et ça ne sera pas agréable.

Concernant les organisations internationales, leur réforme est à la fois souhaitable et difficile à envisager compte tenu de tous les blocages. Quelque chose qui me paraît très important : je pense que toutes les organisations internationales devraient être compatibles à 100 % avec les objectifs de développement durable et avec le climat, point barre. On ne commence pas à dire je peux être compatibles à 35 %, à 42 %. Il y a un moment où il faut arrêter, la planète s'est donné une feuille de route, les organisations internationales la suivent qu'elles l'aiment ou qu'elles ne l'aiment pas et là-dessus il faut être absolument clair.

Sur l'immigration, Jean-Michel l'a souligné, je pense qu'un monde assez effrayant nous attend. D'un côté, on se replie sur son jardin, on rapatrie un certain nombre de choses pour un certain nombre de raisons, on limite une partie du commerce. Je commence à le voir dans mes investissements : on me dit « tu ne peux pas investir là puisque les produits sont exportés en avion, ça émet du carbone et donc ça ne respecte pas les normes européennes ». On va avoir des effets de bord qui font qu'on va rétrécir tout ça. D'un autre côté, on a un défi démographique immense, Aminata Touré l'a rappelé. Comment est-ce qu'on traite ça ? Si on se replie sur soi et qu'on n'offre pas de perspectives aux pays où la démographie explose et que, par ailleurs, on ne veut pas de migration chez soi, le problème devient insoluble.



Comment on va y arriver ? Je ne sais pas. Mais si on ne trouve pas de réponse dans les 5 à 15 ans à cette question, nous avons un monde effrayant devant nous. Je pèse ce mot.

Enfin, sur la question de Philippe Chalmin, oui il y a plein de jardins, chacun voit son jardin. C'est d'ailleurs le principe du jardin avec les palissades : chacun cultive son petit jardin en espérant que la somme de tous les jardins fasse quelque chose de formidable. C'est possible, c'est peu vraisemblable. Encore une fois il y a une vraie différence d'échelle entre son jardin individuel et la planète. Comme organise-t-on ce lien entre notre jardin individuel et ce jardin planétaire ? Je pense que là aussi, si l'on ne veut pas de ce monde effrayant dont je parlais, il est absolument urgent que nous devenions tous jardiniers à la française, à la chinoise, à la japonaise, à l'anglaise, si on le souhaite mais en gardant cette vision collective indispensable.

### **Masood Ahmed**

Thank you very much Bertrand.

I think we have come to the end of our panel. I won't try to summarize anything but I'll just say one thing. I think, what is very clear from this conversation is that there is going to be some really difficult issues to resolve, genuine difficult questions with tradeoffs that are not easy to sort out. But in that conversation, we should at least attempt to not create problems that don't need to exist. I'll just speak two identified. One is the question of natural gas and its use in Africa. It's an obstacle to a meaningful conversation now because the approach that many countries have taken to the use and development of natural gas in Africa is incoherent with their own policies on their use of natural gas. By insisting that Africa should find a future energy needs when the majority living in Africa do not have an energy access at the right level, without relying on natural gas while Europe and US should continue to drop on it, just create an unnecessary aggravation in already difficult conversation. The second example I think is to assume that everybody shares the preoccupations and perspectives that we have in the US about China today. We may be preoccupied with the impact of a growing China in the world and what that means, but to assume that every other country is equally preoccupied with that and shares the perspectives that we have in the US makes it harder to have a conversation. I think you were saying in your final comment Madame Touré that we should not assume and we should start from the recognition that other countries don't have the same perspectives so an honest conversation would help us to go quickly to the difficult problems that we will actually have to resolve with a great deal of discussions. It has been a terrific panel and I want to ask you to please join me in thanking them for their contribution.