

World 2050 – facing the realities of the 21st century

Opening Remarks by Former Federal President of Germany Horst Koehler

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We are meeting at a time of uncertainty. The world is in crisis mode – the refugee crisis, the instabilities in the Middle East, the worries about the world economy – and it seems there is not much confidence about how to really get out of the several messes we are in. Maybe the biggest crisis of all is the crisis of confidence in the ability of politics to provide lasting solutions.

At a time where crises suck up all the political oxygen in the room, it can be difficult to find energy to think about more fundamental issues. The theme of this conference and of the book that will be launched here is „The World in 2050“ – but don't we have more important things to do than to indulge in political phantasies about the future?

Well, maybe this very simple theme, these two words „World 2050“ can lead us on a path that actually helps us to understand how we got to the current state of disorder – and give us hints about how to get out of it. I believe that the two most fundamental realities of the 21st century are condensed in these two words „World 2050“: our challenges are global, and our challenges are long-term. Conversely, the two most fundamental illnesses of our times are nationalism – disrespecting others – and short-termism – disrespecting the future.

Why is it, firstly, so hard to cope with the irrefutable fact of interdependence? Be it global warming, be it terrorism, be it pandemics, be it migration, be it the world economy – the big challenges are connected globally, and there are no sustainable solutions that can be found by any one nation alone. Policies pursued at one end of the globe have an effect on the other end. The ten megatrends in the book that will be presented later are all a good illustration of this, affecting us all.

And why is it, secondly, so hard to accept the fact that the choices we make today are having an effect far into the future? Of course, „In the long run we are all dead“. I wouldn't dare to contradict John Maynard Keynes here. And yet it is our children who will be alive when we are dead, and we should leave them a world which is better than ours, a world with at least the same degrees of freedom that we are enjoying today. But looking at our rate of resource consumption, at some recent dangerous ventures in the area of security policy, or at some of today's monetary and fiscal policies, it is clear that we continue to debt-finance our present by borrowing from the future, paid for with natural resources and trust resources and financial resources of the next generation. I commend the initiative of the Emerging Markets Forum for taking the long view with this conference and the book.

Of the many conclusions that we need to draw from the realities of interconnectedness and long-term impact, there are four that I would like to briefly share with you today.

1. Cooperation is not a nice-to-have, but the only solution

The simple truth is: mankind is in one boat. Pursuing national interests by confrontation is, at the end, self-destructive. The fact of interdependence urgently calls for a new thinking in international politics, a new leitmotif of partnership, a new spirit of cooperation for mutual benefit, solidarity and mutual accountability. Working towards this is not naiveté, but reason; it is not idealism, but the true realpolitik in the 21st century.

Despite all the divisions and difficulties, the year 2015 has given reason for some optimism, with the double diplomatic success of the 2030 Agenda on Sustainable Development and the Paris Agreement. These are two examples where the United Nations, the governments of this world – all of them! – agreed that the biggest challenges of our times, extreme poverty and global warming, can only be addressed together, and need a long-term perspective. These two agreements are an important framework for a structural transformation of our societies and economies, thus providing a positive narrative that counters the current state of distrust and tension and cluelessness. I am convinced: if we follow this path, we do not need to be pessimistic about the future.

Partnership, of course, is not just some philosophical hug we give to each other, but has real political consequences. A paradigm of partnership means to institutionally reflect the multipolarity of this world. For example, an institution like the International Monetary Fund and, in fact, the whole international monetary system are in need of reform, not least in order to better reflect the importance of newly emerging powerhouses of global growth and development, in Asia, Latin America and also in Africa. It is encouraging to see thinkers and policy makers from non-western countries – many of them are in this room – challenging the old ways. For example, Raghuram Rajan, the Governor of the Bank of India, recently argued for an independent inquiry of eminent academics into the detrimental effects which the current “unconventional” monetary policies of some big central banks are having on other nations, especially the poorer ones. I see this as a commendable call for an improved analysis of spill-over effects and for better mutual accountability in this interdependent world. Mutual accountability, of course, in other policy areas also means that developing countries and emerging economies cannot pass the buck anymore. They must also accept responsibility for global well-being, they must also be part of the structural transformation that is necessary. This brings me to my second conclusion:

2. We need a better understanding of growth and wellbeing

Economists love growth. Politicians love growth. And they have good reasons to do so: growth is a measure of human progress, a sign of creativity and inventiveness, an enabler and creator of prosperity and wellbeing. But our love of growth must not blind us: growth is a means, not an end. Growth rates per se do not necessarily reflect progress in the real economy or improvements in the wellbeing of people – take, for example, the financial markets with their inflated growth rates that are decoupled from the real economy, or the jobless growth we

have seen in many African economies, based on a boom in the extractive industries where only few people are employed, its profits ending up in the pockets of a handful of elites.

I give you another example for a wrong and short-sighted understanding of growth: abandoning the Doha round was and is a mistake of historic proportions. Make no mistake: TPP or TTIP or any other regional trade pact – in spite of all potential gain for a specific group of countries – are no substitute for a fair and development-friendly global trade regime, which would help those to grow and to create jobs who need it the most.

Furthermore, the wrong kind of growth can be a destructive force for our environment, as we have not yet learned to decouple economic growth from resource consumption. If prosperity could only be attained on the basis of an old, ecologically unsustainable and thus irresponsible growth model of the industrialized world, if extreme poverty could only be eradicated at the expense of ruining the very natural environment which humans need to live, then there would be very little hope left for the human race. There has to be another way.

We need to ask ourselves: what is it that should grow? And where should it grow?

Yes, in those countries where there are still people living in extreme poverty, we need more schools and more hospitals and more energy plants and more roads and more services and more IT. But do we really need more cars in Germany or more second homes in the US? Drawing the consequences from the planetary boundaries, the rich countries need not only an efficiency revolution in their economies, but also a sufficiency revolution of their lifestyles (Professor Hösle from Notre Dame University, who is amongst us, has said this long before me). I congratulate Harinder Kohli for the courage to raise the issue of lifestyles in the study. The affluent should perceive this debate not as a threat, but as a promise: by asking what well-being, what *happiness* really means, we will discover that for all the limits to *material* growth, humanity has an unlimited reservoir of immaterial wealth: compassion, awareness or a spirit of community. None of these destroy our planet, but all of these can make us more fulfilled, more dignified, and thus ultimately more human.

Finally, the structural transformation that needs to guide our economic thinking – conceptualized not least by the 2030 Agenda for Sustainable Development – is in itself a driver of growth: finding new ways of providing prosperity for all within the planetary boundaries is a challenge that will require an endless amount of imagination and invention, and if you read the book you will find some great examples for the power of technological change.

3. There will be no peace without perspectives for the youth

You may wonder why I would address such a supposed niche issue – youth – in this context. But I think we cannot make long-term policy without thinking about and, yes, involving those who actually will be alive in the year 2050, those who will be most affected by the decisions that are made today. And yet they either do not have the power to vote because they are too young, or they are having difficulties getting their voice heard because most political systems

heavily favor those who have been sitting in their chairs for a very, very long time. In some regions, where the youth are already in the majority – around two thirds of Africa’s population are younger than 35! – this can become a fundamental problem of democracy: In Africa and other young regions, taking into account the perspectives of the youth is not about a special policy for a subsection of the population, but about structurally respecting the majority.

This is not only a challenge of political participation, but even more so of economic inclusion: let me give you again the African example, where, according to IMF estimates, 18 million jobs need to be created every year in order to absorb the growing youth population. 18 million! Every year! That is a task which is unprecedented in human history, and the world better wakes up, because if we do not unite behind massive job-creating growth and a massive effort for education in Africa, then the repercussions of a gigantic disenfranchised youth population will be felt not only in Europe but all over the earth, and a peaceful and prosperous world will be far beyond our reach.

Finally, young people need more than just political participation and jobs. Young people need purpose. Not least the excessive violence perpetrated by young men all over the world should urge us to raise the most profound question of human existence: “What am I alive for?” In an age where populations grow, instabilities grow, interdependence grows, the survival of humanity depends on society empowering its youth to give a positive and life-affirming answer to that question.

4. We have to talk about values

No global partnership, no global community can be successful in the long-term without being underpinned by common values – and by a method of productively and respectfully dealing with differences. I am also saying this in light of the horrific attacks here in Paris, but also in Grand Bassam or Brussels, in Istanbul or Lahore over the last weeks. There is no clash of civilizations and we should not enter into one. The victims of such atrocities are Muslims, Jews, and Christians alike; they are Russian and American, French and Lebanese. The slaughterers of Daesh or Al-Quaida have turned against most fundamental principles common to all cultures and religions of the world. Not least, the German theologian Hans Küng has reminded us with his work on a global ethic that all big religions share a commitment to what has been called the golden rule: we must treat others as we wish others to treat us. This fundamental consensus could form a starting point for searching for a common ground of values that we all share. We are so much more than just a community forced together by shared risks, there is so much more that binds us all together than that divides us, and the cancer of terrorism should make us only more determined to build new trust and bridges of dialogue between nations and cultures.

Ladies and Gentlemen,

I am glad that we are together for this conference. Let us build bridges. Let us be courageous in challenging our own thinking, let us ask the tough questions, let us have honest discussions – and, last but not least, let's have a little bit of fun while doing all of this, because if the city of Paris teaches us anything, it is that the world is beautiful and that life, dear Mr Keynes, is indeed too short to spend it only worrying.