

## Transcript

00:00:00 Speaker 1

A very warm welcome to the Oxford Martin School. Thank you for braving the rain to to get here and I'm really delighted to see you.

00:00:13 Speaker 1

I know it's a very, very busy time of year with exams and so forth going on and particularly delighted to.

00:00:21 Speaker 1

Welcome three good friends to to the stage with me, who collectively I've known for a very long time.

00:00:30 Speaker 1

I, I think Rindou was probably the person I met 1st order Coney, who was the big boss and my bosses boss when I was at the World Bank for the first time. And then I also met Mantek.

00:00:46 Speaker 1

Who was then running the independent evaluation office at the IMF and Zoom a little bit later when used to come to annual meetings and things? And indeed more broadly. So I'm young, golden, and I'm the Press of globalisation and development at Oxford.

00:01:05 Speaker 1

And was the founding director of the ACS Moments.

00:01:07 Speaker 1

Cool, I'm going to introduce briefly very distinguished guests, but I won't spend long on their buyers because if I did, there would be absolutely no time for any conversation. And I think you also know of them, which is why you you here.

00:01:27 Speaker 1

Starting with.

00:01:29 Speaker 1

With mantek on my right wanting single allisa currently distinguished fellow at the Centre for Social and Economic Policy, he he was the deputy chairman of the Planning Commission of India over a 10 year period having a really fundamental impact on the evolution of economic policy.

00:01:49 Speaker 1

And some very very significant achievements during that period in at the national level in India, he was the first director of the Independent Evaluation Office at the IM.

00:02:01 Speaker 1

Yes, and I know two there. He had a very fundamental impact. My friends in the IMF used to quake when they were told that he would be looking at their work because it was a source of great integrity and analysis on how the IMF was doing. That remained as steadfastly independent. He's.

00:02:21 Speaker 1

Played a role in many different places in the Indian government in economic policy, economic advisory.

00:02:28 Speaker 1

We'll see at the World Bank he was head of the income division and he comes back to Oxford as an Oxford alum.

00:02:36 Speaker 1

Having an M. Phil here in undergrad, and indeed knows this building from way before I argyra step foot in so delighted to have you back in in in Oxford.

00:02:48 Speaker 1

And in this building, Montag.

00:02:50 Speaker 1

Her in the colony, in addition to having been the director of the Maghrib region when I was a youngster, slayed her in my head, I think that at the World Bank is now the chief executive and funding rectal Emerging Markets Forum is was the founding director of the Sentinel.

00:03:11 Speaker 1

Group which is a private Consulting Group, is the founding editor of the Global Journal of Emerging Market Economy.

00:03:19 Speaker 1

He is and he's the author of many books and has been a real force for progressive change analysis and clear thinking in the Washington community, especially at the World Bank, but much more widely subsequently. And one of those people that really understands.

00:03:39 Speaker 1

Development and analytically, globally and knows more people in more places in developing countries than I could ever begin to imagine.

00:03:50 Speaker 1

Suman Chakrabarti so Suma Chakrabarti?

00:03:54 Speaker 1

See, uh, was the permanent secretary in the department.

00:04:00 Speaker 1

Uh, was it still called deferred then for International Development when then became the permanent secretary in the Department of Justice?

00:04:11 Speaker 1

Uh, then became the President of the European Bank for Reconstruction and Development for 10 years, and now does many things, including being the chair of the Overseas Development Institute Board.

00:04:25 Speaker 1

Again, the combination of these three people, I think there's nothing happening and no one hints of missing. If it's in development that the three of them do not connect to in some way.

00:04:37 Speaker 1

But they hear not.

00:04:38 Speaker 2

To talk about all of that.

00:04:39 Speaker 1

That, but rather about this extraordinary new book envisaging 2060.

00:04:46 Speaker 1

Which is a very courageous attempt to think about the future of a very long period of time.

00:04:54 Speaker 1

Of of development and of emerging markets this is something which many people have thought about doing, but I don't know anyone that's actually succeeded in in this way, extraordinary brave attempt. 19 chapters which look at different aspects of this future and what they're going to present to you.

00:05:14 Speaker 1

Today is some.

00:05:18 Speaker 1

Nuggets of wisdom. Some overview of this and you are very fortunate as well that they've kindly provided. I think there may be 39 copies left 'cause I've stolen 1 copies of the book at the back of the room, which you're welcome to pick up and take as you leave so.

00:05:39 Speaker 1

They they're at the back of the room if we run.

00:05:41 Speaker 1

Out of copies.

00:05:42 Speaker 1

Uhm horrendous. Very kindly offered to send some more. So if you could give your address to Elizabeth who's at the back of the room we will make sure that you get a copy.

00:05:54 Speaker 1

If they're none left off, then so thanks so much for coming and spending this time with us. Thank you for giving us the copies of the book.

00:06:03 Speaker 1

And most of all, thank you for what you've done in your lives for development and for people around the world.

00:06:10 Speaker 1

I mean, did you want to spend 10 minutes describing what this books about, why you did it, and what it's about? Sure.

00:06:17 Speaker 3

Come in, thank you very much. Thank you for hosting this event. It's a pleasure to be at Oxford Martin School and with two good friends.

00:06:30 Speaker 3

First, let me say the book went to the press before these tragic events in Ukraine.

00:06:36 Speaker 3

So the book doesn't take into account.

00:06:40 Speaker 3

These events and the major impact these recent geopolitical events will have.

00:06:46 Speaker 3

So keep that in mind.

00:06:49 Speaker 3

I should also say that the book is.

00:06:55 Speaker 3

Is result of efforts by 20 authors.

00:06:57 Speaker 3

From around the.

00:06:59 Speaker 3

World and we have three of those 20 authors.

00:07:05 Speaker 3

I hope you'll take the time to read the book and the copies as Ian mentioned.

00:07:10 Speaker 3

Behind you and both of you haven't yet picked the book copies of the books. Please take them home, and if they're not enough copies as he has mentioned, we'd be happy to send you copies. Now. The book is almost 500 pages long.

00:07:27 Speaker 3

Even I suggested that I take about.

00:07:30 Speaker 3

10 minutes.

00:07:32 Speaker 3

And so in those 10 minutes, as you can imagine, it's impossible to.

00:07:39 Speaker 3

What we'll do is, I'll give you a.

00:07:40 Speaker 3

Brief glimpse of what the book is about.

00:07:44 Speaker 3

And then Montek and Suma will discuss with you two of the chapters in the book.

00:07:54 Speaker 3

One on climate change. What emerging markets?

00:07:57 Speaker 3

As a group.

00:08:00 Speaker 3

Can quote you should do, and Satsuma will discuss the state of global governance.

00:08:07 Speaker 3

And how the multilateral system?

00:08:10 Speaker 3

Should be improved to tackle some of the big issues in the.

00:08:15 Speaker 3

But I I like to.

00:08:17 Speaker 3

Make 5 quick points about the book.

00:08:21 Speaker 3

The first

00:08:22 Speaker 3

The book highlights how, in our view, the post pandemic world will be quite different.

00:08:30 Speaker 3

Compared to where we were in 2019.

00:08:35 Speaker 3

And the world will be different in our view, not because of just.

00:08:40 Speaker 3

The impact of the pandemic.

00:08:43 Speaker 3

In our view.

00:08:45 Speaker 3

The world will be different because of the changes.

00:08:49 Speaker 3

Uhm, which have already underway.

00:08:53 Speaker 3

And what the pandemic has done is revealed.

00:08:57 Speaker 3

In much sharper relief.

00:09:00 Speaker 3

The underlying changes which are underway.

00:09:03 Speaker 3

And some of the changes have been accelerated.

00:09:06 Speaker 3

Because of the pandemic.

00:09:10 Speaker 3

Some of the underlying trends.

00:09:13 Speaker 3

Which has accelerated, which has been brought into sharp relief. I just want to give you 3 examples and the book describes a number of other changes first.

00:09:25 Speaker 3

There was already quite a lot of dissatisfaction with globalisation.

00:09:32 Speaker 3

And that dissatisfaction has.

00:09:35 Speaker 3

Been brought to four.

00:09:37 Speaker 3

In much better way.

00:09:39 Speaker 3

What happened with the distribution of the vaccinations?

00:09:45 Speaker 3

Just an example.

00:09:48 Speaker 3

There is already a trend for nationalism.

00:09:51 Speaker 3

To onshore production of goods and services.

00:09:56 Speaker 3

The spread of issue would.

00:10:00 Speaker 3

Tom fism

00:10:04 Speaker 3

Acceleration of trends were the extreme right in France.

00:10:09 Speaker 3

Brexit is a just example with dissatisfaction.

00:10:14 Speaker 3

With globalisation, another example is.

00:10:21 Speaker 3

The decisive satisfaction with the traditional political party is will be.

00:10:28 Speaker 3

I should have done it before, excuse me.

00:10:32 Speaker 3

The dissatisfaction.

00:10:35 Speaker 3

Traditional political parties with the government system, etc.

00:10:40 Speaker 3

And so so my team will touch on the the problem with the governance. The term is a dissatisfaction with the existing multilateral system. How you?

00:10:51 Speaker 3

View or many.

00:10:51 Speaker 3

People existing multilateral institutions are not effective anymore.

00:10:58 Speaker 3

In addressing the big issues in the world, climate change inequality, etc.

00:11:05 Speaker 3

And he will talk about that a little.

00:11:07 Speaker 5

Bit I can.

00:11:08 Speaker 3

Give you many more examples, so that's one thing that the book talks about how the post pandemic world will not be the same as it was.

00:11:18 Speaker 3

345 years ago. Second, the book takes look at the longer term opportunities and risks.

00:11:26 Speaker 3

Facing the emerging markets, it doesn't talk about the short term issues, longer term perspective, and lets you imagine how the world could look like in year 2016.

00:11:39 Speaker 3

Your world I'm so glad there's so many young faces here, but also the world that your children, your grandchildren even will be facing.

00:11:49 Speaker 3

And in looking at that, it starts by a discussion of 10 global megatrends which will drive most of the world, particularly emerging markets and goes on to discuss some of the major issues.

00:12:03 Speaker 3

Including things like demographics, how global the world as a whole except for Africa is going to age, and we may even see declining populations in more and more countries. But then it talks about things like inequality, governance of countries, how it is deteriorating now.

00:12:24 Speaker 3

Improving that I should.

00:12:28 Speaker 3



Climate change.

00:12:33 Speaker 3

And then.

00:12:35 Speaker 3

Agriculture your field.

00:12:38 Speaker 3

Before you started rocketing up the world, we worked together on agriculture issues and negative example. But then it also drills down on prospects of.

00:12:48 Speaker 3

Three important regions of the world. Africa, Latin America and Asia, and contrast the three.

00:12:57 Speaker 3

So those kind of issues it discusses, and then it develops some areas of the world, various scenarios, how the trajectory of the world as a whole could evolve depending on different assumptions.

00:13:16 Speaker 3

Overall, based on this analysis.

00:13:19 Speaker 3

Our view is there is a possibility that we could have fairly optimistic prospects for the world provided some of the big issues that we discussed at type tackled effectively let.

00:13:32 Speaker 3

Me paint you a picture.

00:13:34 Speaker 3

Under the optimistic scenario, the most optimistic scenario.

00:13:38 Speaker 3

That we do.

00:13:40 Speaker 3

It is quite possible, not guarantee.

00:13:43 Speaker 3

We can't take it for granted.

00:13:45 Speaker 3

But if all goes well relatively well, we could see the prospects that roughly 6 billion people of the world out of nine and a half billion people in the world. 6 billion people, which will be all of North America.

00:14:03 Speaker 3

Including developing parts of Europe, Eastern Europe and much of East Asia.

00:14:10 Speaker 3

Could have living standards.

00:14:13 Speaker 3

Equal to or better than southern Europe today. With that I mean Spain, Portugal, Italy, Greece.

00:14:21 Speaker 3

These 6 million people could have legal standards you'll.

00:14:24 Speaker 3

Be quite well.

00:14:25 Speaker 3

Off as it is all.

00:14:27 Speaker 3

Some 60 countries in the world could be classified as advanced countries, as defined by OECD today.

00:14:36 Speaker 3

But even under this.

00:14:39 Speaker 3

Desired objective

00:14:44 Speaker 3

We would still have three regions of the world Africa, Latin America, and Middle East would be ready to be studied.

00:14:53 Speaker 3

So even under this benign scenario we could see.

00:14:56 Speaker 3

2 words, a prosperous thriving.

00:15:02 Speaker 3

Well of 6 billion people and four billion people who may be living in stagnant mozzarella region, particularly Africa. Therefore, I urge.

00:15:14 Speaker 3

You to read.

00:15:15 Speaker 3

The chapters not only about Asia, which is quite optimistic.

00:15:21 Speaker 3

And Africa and Latin America, which makes you worried.

00:15:26 Speaker 3

But there is a pessimistic scenario.

00:15:30 Speaker 3

And that pessimistic scenario says the per capita income.

00:15:33 Speaker 3

Of the world as a whole.

00:15:36 Speaker 3

Could be just one third.

00:15:39 Speaker 3

And the reason is the compounding problem.

00:15:44 Speaker 3

Those of you who study math or economics can see compounding can be quite problematic issue if you compound things over 30 years, the numbers can be dramatically lower. Now. My next point is.

00:16:01 Speaker 3

That there are three basic issues, a lot of issues in the.

00:16:05 Speaker 3

Book but three.

00:16:06 Speaker 3

Basic issues which will determine which of the two extreme scenarios will come to pass.

00:16:13 Speaker 3

Though the reality is the probability is that actual scenario which comes to possible is somewhere in between the two extremes.

00:16:22 Speaker 3

So what are the three big issues?

00:16:25 Speaker 3

The most important issue which needs to be tackled.

00:16:29 Speaker 3

Is climate change?

00:16:32 Speaker 3

How effectively the world as a whole and individual countries, the big countries tackled climate change will have a big impact and therefore Monte.

00:16:41 Speaker 3

Carlo will talk about it.

00:16:42 Speaker 3

Setting is inequality. The fact is in the last 15 years or so, inequality within countries has been rising.

00:16:52 Speaker 3

Despite everybody.

00:16:53 Speaker 3

If there's a big economic issue, there's a chapter in the book about it, but it's also big political and social issues. If inequality is kept on rising, then the world could explode.

00:17:06 Speaker 3

That issue must be tackled and 3rd on, which Ian had just written. Publishing a paper is productivity.

00:17:16 Speaker 3

Productivity at the global level and productivity at the national level. The big difference between the optimistic scenario and the pessimistic scenarios would the world be able to manage the technology change and improve productivity?

00:17:34 Speaker 3

If that issue is not tackled, then we are unlikely to reach the potential that the world has between us.

00:17:43 Speaker 3

I'm quite worried I'm normally an optimistic person, I'm quite worried about what will happen to Africa and what has happened to Latin America and the Middle East. The three commodity exporting region.

00:17:55 Speaker 3

Let me stop there and I think we should now go on to one thing and that will.

00:17:59 Speaker 1

Thank you so much for Indian and thanks so much for sticking to your time too. Just for information, if you can hold your questions till the end we will have an opportunity for Q&A.

00:18:11 Speaker 1

And also I should have greeted people at online we I know we have a large online contingent and you'll also be able to submit your questions online.

00:18:19 Speaker 1

I have an iPad where they will appear, so do hold your questions and we'll have an opportunity for that offerings. But thank you so much.

00:18:29 Speaker 1

Over two months.

00:18:30 Speaker 1

I really look just up smoking.

00:18:34 Speaker 5

Sorry, I just can't.

00:18:35 Speaker 5

Resist going to a lectern in a university.

00:18:40 Speaker 5

Thank great pleasure to be here. You know we're on a very tight time constraint and Ian has told me that he will, frankly Ki wave his arms when I get too close to the limit. So I encourage you to do that.

00:18:54 Speaker 5

Uhm, I remember. I summarised the book quite admirably in 10 minutes. I have to summarise only one chapter in 10 minutes. That should be easier.

00:19:03 Speaker 5

But I just.

00:19:04 Speaker 5

Wanna make five points and I leave it to you to look at the chapter itself. To elaborate, if you want any of these things elaborated.

00:19:13 Speaker 5

And the most important.

00:19:14 Speaker 5

Point is that Cup 26 in Glasgow was a very important turning point. I mean, the negotiations on climate change.

00:19:23 Speaker 5

They've been going on since 1992, and they progressed in a very steady kind of way and in the early days the perception of the whole world was that the obligations to reduce emissions should be large.

00:19:40 Speaker 5

On the developed world and the developing world got a kind of pass and that attitude clearly changed over time.

00:19:48 Speaker 5

But developing countries were quite unwilling to accept any obligation to actually reduce emissions. I mean, the most they were willing to promise was that they would reduce the.

00:20:00 Speaker 5

Emissions intensity of GDP, which is good, but it doesn't reduce emissions if GDP is going to expand.

00:20:08 Speaker 5

So it was really in COP 26 that all developing countries for the first time ever actually agreed that they will bring CO2 emissions down to zero at different times in mid century.

00:20:22 Speaker 5

So this is one point, a very important point and the issues about how difficult it will be for them to do it.

00:20:29 Speaker 5

But I think the second point that I want.

00:20:32 Speaker 5

To touch upon.

00:20:32 Speaker 5

Is that while one can congratulate oneself on this, you have to remember that if you ask the question.

00:20:41 Speaker 5

Other commitments of all countries, adequate or not, and the short answer is, they're not.

00:20:47 Speaker 5

I mean the work of the IPCC led to a general agreement that the earlier Paris Agreement range of tolerable global warming which was between.

00:21:01 Speaker 5

1.5.

00:21:03 Speaker 5

2 degrees less than two degrees C and ideally 1.5 degrees C.

00:21:08 Speaker 5

This range is unacceptable. It should be 1.5 degrees C at normal.

00:21:12 Speaker 5

Or so this was an important change and I I mean it.

00:21:16 Speaker 5

May look a.

00:21:17 Speaker 5

Very small change.

00:21:19 Speaker 5

But the fact is that all the work done and some of this.

00:21:21 Speaker 5

Is summarised in the chapter.

00:21:23 Speaker 5

The difference between 1.5 and two degree C is very large, and you're talking about effects on agricultural productivity. Very bad effects.

00:21:33 Speaker 5

And Africa also in East Asia.

00:21:36 Speaker 5

A migration people being displaced, something of the order of more than 100 million people may have to move, and this can create incredible both distress and social dislocation. So we need to get to 1.5.

00:21:53 Speaker 5

In Paris, the commitments made in Paris were once they were made and everybody had stopped congratulating themselves on this incredible breakthrough.

00:22:04 Speaker 5

People said, well, you know this is good, but the global warming if everybody does what they've promised, will be 2.8 degrees above pre industrial levels.

00:22:13 Speaker 5

We were very far in Paris off the map.

00:22:17 Speaker 5

We talked then about 1.5. What has what does COP 26 assure us? If everybody does what they said they were going to do, well what it assures us is that it might be.

00:22:30 Speaker 5

Around 2.4.

00:22:31 Speaker 5

So that's that's a sense of inadequacy. Having said that, there are two other issues that one should address. One is can the developing countries actually reduce their emissions down to zero? I think there the good news is the consensus today is that it can be done.

00:22:52 Speaker 5

It will actually involve humongous changes in virtually all sectors of the economy. I think in the your lobby downstairs there's some very nice stuff on the wall which tells you what are the things you have to do, and they're all correct. I mean, the biggest change has to be in.

00:23:12 Speaker 5

Converting the generation of power electricity.

00:23:17 Speaker 5

Away from fossil fuel based generation to renewables and the technology now exists to make that possible. And many developing countries including India are actually putting in.

00:23:29 Speaker 5

A lot of.

00:23:30 Speaker 5

Ari capacity and it seems to be working quite well.

00:23:35 Speaker 5

In addition to that, you need to substitute for fossil fuel use wherever it's being used and can be substituted by electricity.

00:23:45 Speaker 5

I mean, clearly the transport sector is the most obvious and there also things are happening. Developing countries are in fact bringing in electrifying electrification of vehicles, etc.

00:23:57 Speaker 5

But you know, these changes are not just little news items that the first electric vehicle or electric bus or something has.

00:24:06 Speaker 5

Been either sold or started.

00:24:08 Speaker 5

To move around in New Delhi or in.

00:24:10 Speaker 5

Jakarta or something?

00:24:12 Speaker 5

You're really talking about humongous changes in the structure.

00:24:15 Speaker 5

Of the economy.

00:24:16 Speaker 5

I mean, let me just give one exam.

00:24:18 Speaker 5

If the idea is to cut.

00:24:21 Speaker 5



Uh, CO2 emissions from transport to 0 by moving to electricity. Clearly a related part of that is the electricity shouldn't be generating CO2 emissions, so we keep that separate but just just making the change in electric vehicles. I mean, that would require 100%.

00:24:42 Speaker 5

Of the vehicle fleet to become electric.

00:24:46 Speaker 5

A present position if you want good news is that electric vehicles are being sold, but just to take one country as an example India, I mean the total number of electric vehicles sold is about 2% of the total electric vehicles sold. So the first task.

00:25:05 Speaker 5

Is to go from 2 to 100% of all the new.

00:25:08 Speaker 5

Vehicles and then the whole fleet.

00:25:11 Speaker 5

It has to be made electric, let's say by 2050, and if you assume that in any developing country cars will be around for 20 years before they are junked, then really by 20 thirty 100% of all vehicles sold should actually be electric. So going from.

00:25:31 Speaker 5

2022 to 2030 gives the automobile sector about eight years to convert to 100% electric fleet. It's a humongous.

00:25:41 Speaker 5

Change they will do it, they will. They will do a lot. They will certainly go.

00:25:45 Speaker 5

Above 2%.

00:25:46 Speaker 5

But whether they reach 100% or not?

00:25:49 Speaker 5

Is a big question.

00:25:51 Speaker 5

I can replicate this example everywhere. For example, one of the big things is one of the one of the structural changes identified in this book.

00:26:02 Speaker 5

Is that urbanisation is going to become very important. So urbanisation is going to become very important country like India which has been slow to urban.

00:26:11 Speaker 5

Guys, the magnitude of what is involved is that the, let's say the urban population in maybe 2011 was about 370 million people and by 2050 they expect it to be 800 million people. Now that is going to involve a huge number of buildings and so on.

00:26:32 Speaker 5

Being constructed to accommodate them, they'll all be higher income levels, so they all want cooling.

00:26:39 Speaker 5

And so there's a nice little one of the things you have in your fire is the the problem of cooling and the warming global warming it causes.

00:26:48 Speaker 5

We need to have buildings that are designed in such a way to reduce the cooling load. And of course you need to have much more efficient air conditioning systems.

00:26:59 Speaker 5

And I think.

00:27:00 Speaker 5

What many people have pointed out is that one way of looking at.

00:27:06 Speaker 5

It is that.

00:27:06 Speaker 5

India and other developing countries have an opportunity to, as it were.

00:27:13 Speaker 5

Leap over leapfrog. Over periods that other countries have gone to because the infrastructure needed doesn't actually exist as yet.

00:27:23 Speaker 5

But on the other hand, making these changes is not very easy, so I wouldn't go on and on about. But the what comes out of this is it's possible.

00:27:33 Speaker 5

If you intervene in a large number of areas, if you intervene with multiple instruments.

00:27:39 Speaker 5

And the government levels that have to do the intervention are not just the national government, but also at the state level, which is, say, the province level and at the local level and all of this has to pull together and that is quite a humongous piece of coordination.

00:27:59 Speaker 5

That the governments have to do and all this has to be done in a political environment where many of the things that need to be done are going to be politically difficult. I mean the most obvious.

00:28:10 Speaker 5

If you really want to conserve energy, prices have to play a big role, and unfortunately the political economy of energy pricing is that governments gain political mileage by saying we're keeping energy prices low.

00:28:25 Speaker 5

So can we give that up completely and sort of basically?

00:28:31 Speaker 5

Say that.

00:28:31 Speaker 5

Look, prices have to reflect.

00:28:34 Speaker 5

Social costs and social benefits related to this is the issue of carbon price.

00:28:39 Speaker 5

Uh, carbon taxation. It's there on the agenda. Nobody is actually done it, but you know the International Monetary Fund has said that a progressive way of achieving carbon pricing would be for the industrialised countries to put in a power carbon price at or over \$75.

00:29:00 Speaker 5

But down low \$50.

00:29:01 Speaker 5

Hospital and India to do it at \$25.00 but done now if we had such a consensus. Global consensus that the developing countries would pay more of a price for carbon and the development so developed countries will pay more, the developing countries less there is a chance of getting something like.

00:29:21 Speaker 5

That put in.

00:29:21 Speaker 5

Case, but you know no developed country. I know that in Europe they do have sort of an internal market that is being created, but it's yet a new thing, not yet firmly established. So we're really starting.

00:29:35 Speaker 5

I, I mean I'm running out of time.

00:29:37 Speaker 5

So I'm I'm.

00:29:38 Speaker 5

Going to skip the stuff on finance by just mentioning one thing.

00:29:43 Speaker 5

It is, it requires a tremendous change, and there's a lot.

00:29:47 Speaker 5

Of work done.

00:29:49 Speaker 5

What is the investment consequence of this change and how much of this investment is additional? It's not easy to determine what's actually additional, I mean.

00:30:00 Speaker 5

Just to give an example, you may say for example that you certainly have to get rid of coal fired power power generation and move to renewables, and therefore you need so much more jigger wattage of renewables. But that's not actually additional. What is additional is what would that.

00:30:20 Speaker 5

Cost compared to doing the same thing with the traditional ways of.

00:30:24 Speaker 5

Bring it, and even that's not complete, because if you were relying on power based on coal, then you would also be investing in coal mines and in expanding coal production.

00:30:37 Speaker 5

Whereas if you go to renewables, you're not doing that, so it's not easy to work out what is the real.

00:30:44 Speaker 5

Additional burden but Nick Stern and some of his colleagues in the London School. I've done a lot of work on this and just to give you one number you know up to now the global negotiations have proceeded on the assumption that the developed countries will assist developing countries.

00:31:04 Speaker 5

To make the transition with some agreed amount of assistance. So far, the discussion has been on \$100 billion per year to be reached by 2020, which hasn't been reached, and I think the Glasgow Pact says, well, maybe we get there by 2024 against this.

00:31:24 Speaker 5

What Nick and company say is that we need \$1.3 trillion by 2025 and \$3.5 trillion by 2030.

00:31:36 Speaker 5

Of which they say half should come from the developing countries themselves, but that would still leave external assistance of the order of \$650 billion by 2025 and 1.8 something billion dollars by 2030.

00:31:56 Speaker 5

And this is the amount compared to a base level.

00:31:59 Speaker 5

That we haven't got 200 yet.

00:32:02 Speaker 5

So it's very easy to throw up one hands.

00:32:05 Speaker 5

And say, well, it's not going to happen.

00:32:08 Speaker 5

On the other hand, there's a lot of work done and I won't elaborate on it. If there was a multilateral consensus that actually said that what is at stake is actually saving the planet, it's not just the development of some poor countries, it's a global phenomenon.

00:32:26 Speaker 5

Then the scale.

00:32:28 Speaker 5

Of what is being demanded is not impossible. A lot of it will be private investment, but in order to get private investment, you need probably a lot of multilateral lending to create conditions that would reassure private sector people. As all this is floating around.

00:32:44 Speaker 5

In the air, and it's all meant to be discussed in COP 27 in November. But then as horrendous said, all these ideas predate Russia and Ukraine.

00:32:55 Speaker 5

So how much mind space there will be this year to address these issues is an open question, but you know on the assumption that, let's say by this time.

00:33:04 Speaker 5

Next year, some of the problems on Russia, Ukraine, some of the problems on the pandemic may appear to be receding.

00:33:12 Speaker 5

These are huge challenges that are waiting to.

00:33:15 Speaker 5

Be taken off.

00:33:16 Speaker 5

And they're going to take a lot of.

00:33:17 Speaker 5

Time, but people better.

00:33:18 Speaker 5

Start thinking about it in advance. Thank you Ian.

00:33:22 Speaker 1

Very much montek.

00:33:25 Speaker 1

And you've certainly highlighted the urgency and the scale of what's needed, and I'm sure we'll come back to many of these questions in in the discussion which will follow this.

00:33:38 Speaker 1

Uh, so summa.

00:33:40 Speaker 1

Uh, your chapters on multilateralism and where it fits in, and how it's doing? Let's start with the problems and hopefully then move very quickly to the solutions. What are the principal issues affecting the multilateral system?

00:33:58 Speaker 6

Thank you and thanks for hosting us here at this wonderful old building where Montag and my father Bud studied actually years ago and and thanks for bringing the diversity to this panel. Only the 1st and the last time I'll ever say that about you.

00:34:10 Speaker 4

Thanks guys. Thought I ever qualified.

00:34:14 Speaker 6

So I think.

00:34:16 Speaker 6

You know, we all three of us, all four of us, in fact, have worked in the multilateral system and by the monstrous system in my chapter, I'm essentially talking about the multilateral development banks first created just at the end of the Second World War with Bretton Woods with the World Bank and IMF at that time. But then subsequently all these regional banks.

00:34:34 Speaker 6

You have the Asian Land Bank African Development Bank into American bond bank and of course also the one I LED European bank for Reconstruction developed.

00:34:42 Speaker 6

And and I'm saying.

00:34:44 Speaker 6

Essentially that these banks for a long period. I think we're very much In Sync with the needs of the demands of the emerging markets developing economies.

00:34:54 Speaker 6

And actually, we're quite instrumental. I think in their growth over those many decades. But I would posit in my chapter.

00:35:02 Speaker 6

That that has changed, and that's changed quite fundamentally. I think the last few years and and you know I've grown up. I was the president of one of these banks during those last few years.

00:35:13 Speaker 6

But I I would say in our chapter what we try to do is we show a range of the issues that Herndon, Montech, mentioned, inequality, climate change, jobs, technology, productivity and show that actually what the offer is from these.

00:35:29 Speaker 6

Marks Advon banks is no longer quite In Sync with what the problems are in these countries.

00:35:35 Speaker 6

And I would argue that one of the reasons.

00:35:38 Speaker 6

Is that the development lobbies, including ones from Oxford which are pushed the agenda of the advanced economy? Shareholders of these banks and not as interested in these issues?

00:35:51 Speaker 6

So and then some of these issues are quite difficult to tackle, so the banks have become for example inequality.

00:35:58 Speaker 6

Growing inequalities into the mid 19.

00:36:00 Speaker 6

It is not bad at tackling things like inclusion. So for my own bank, EBRD developed programmes on finance for female entrepreneurs and so on.

00:36:10 Speaker 6

So aspects of inclusion they've been come better at, but meanwhile inequality is measured by Gini. Coefficients on has worsened many of these places and the banks are not.

00:36:20 Speaker 6

Really, focusing on these issues, climate is a good example of that, and Montique at the end of his 10 minutes spoke about the climate finance needs.

00:36:29 Speaker 6

If you look at what these banks have been doing, yes, they've scaled up a bit. There's no doubt about that, but compared with those numbers, no in it and they have the capacity to do so, because of how enormous financial leverage, capital adequacy leverage they could do that.

00:36:44 Speaker 6

But they're not at the races yet on that. And I could say the same about jobs technology productivity.

00:36:49 Speaker 6

Where actually there's been some very good analysis in the policy parts of those banks, but if you look at their lending programmes, they're doing very little in that area.

00:36:59 Speaker 6

So that's the basic thing, I think what that suggests to.

00:37:02 Speaker 6

Me is a.

00:37:03 Speaker 6

Loss of legitimacy to some extent in the eyes of the emerging markets about what these banks are doing. And it's led to issues around.

00:37:12 Speaker 6

You know the transaction costs of working with these banks very high or the voice of the emerging markets. If you look at the shareholding structures.

00:37:19 Speaker 6

They're not. They're still sort of 1944 Bretton Woods disrupters with some some changes, but they're the margin and not really reflecting the the weight. Economic, growing economic weight of the emerging markets and the global economy.

00:37:33 Speaker 6

And I think that's led also to the creation of new institutions where they have their voice. The Asian Infrastructure Investment Bank based in Beijing, the new Development Bank based in Shanghai.

00:37:44 Speaker 6

These are institutions where the emerging markets actually have a majority of the shareholding. I don't actually think they're either. Those two banks are working very well in terms of impact, but.

00:37:53 Speaker 6

They clearly have the the voice.

00:37:56 Speaker 6



They've answered the voice issue in in a way.

00:37:59 Speaker 6

So that's I think that's what's happening in the market, and I think this is now exacerbated. As you rightly said, we all wrote our chapters before.

00:38:05 Speaker 6

What's happened with Russia, Ukraine? We wrote our chapter. My chapter was written even before the failure of the vaccine rollout, but seen, and that's another strike against the multilateral system.

00:38:18 Speaker 6

Failure to get vaccines into Sub Saharan Africa and other places.

00:38:22 Speaker 6

But also then what happened over the Russia, Ukraine? The invasion of Ukraine and essentially a splitting apart a segmentation?

00:38:32 Speaker 6

I think in the way shareholders in those institutions are behaving, I mean led to Janet Yellen's speech at the Atlantic Council a few weeks ago, Treasury Secretary.

00:38:42 Speaker 6

The strategy is actually talking about the need to build a multilateral system based on shared values.

00:38:48 Speaker 6

Ah well y'all from Oxford, and I was taught always at Oxford too.

00:38:53 Speaker 6

When I had to answer any essay question, who chooses and by what criteria? So who chooses the right values are and by what criteria do they choose?

00:39:02 Speaker 6

I think it's an impossible question to answer, so shared interests are more. I think the way of thinking about multilateral organisations welcome shared values, but it is creating a moment where I think.

00:39:13 Speaker 6

There's a splitting apart in what we want from these institutions, which I think was happening in the trends, but I think this Ukraine situation is creating a further dynamic which is segmenting the market.

00:39:26 Speaker 6

So that's basically the thesis.

00:39:27

And if you.

00:39:29 Speaker 1

See the the following.

00:39:32 Speaker 1

A minister or the Treasury minister responsible for UK policy on this? What would your two recommendations be to fix it?

00:39:43 Speaker 6

Well, I'm sure at first of all show some leadership, you know, and that leadership isn't the new British development strategy.

00:39:52 Speaker 6

Which basically says.

00:39:54 Speaker 6

OK with overall bilateral approach to developing systems, so the UK share of multilateral financing in its development assistance budget is now going to fall to less than a.

00:40:05 Speaker 6

Quarter in a couple of years time and at one point when I was heading DF, ID was about 2/3 was Mark Natural so it's been a long slow decline but now a very sharp accelerated decline.

00:40:16 Speaker 6

Good luck spending that money, well because frankly, have cut the staff staffing as well so I don't see how bilateral aid is going to be effective to be much more effective for more.

00:40:24 Speaker 6

Money into multilateral system.

00:40:26 Speaker 6

Second thing, I think that leadership should do though is actually and we say this in the book is try to work with a Janet Yellen 'cause I think she is a very rational good observer of the international system to say can we try and build a a shared interest system?

00:40:41 Speaker 6

Bretton Woods 2.0 I think we say in the book that would actually try and work out.

00:40:45 Speaker 6

What we can use these multilateral institutions for, which would be in the shared interest? I think climate fits that Bill completely, so the climate financing thing.

00:40:54 Speaker 6

I think it would really fit that Bill. We've got other special purpose institutions now for other areas, vaccines and other types in life.

00:41:01 Speaker 6

But I think the World Bank, the Reserve Bank should really be focusing on the green agenda much more so, so, but that would require, I think, G20 to come together to do that.

00:41:11 Speaker 6

Because that is there.

00:41:11 Speaker 1

So you you're not saying that you think we need new global institutions like on climate, but rather we can use the existing ones too to solve our problems if we manage them right.

00:41:21 Speaker 6

We've got plenty of resources, human and capital, in these institutions. What we haven't got is a shared sense of leadership for what they should do, and.

00:41:31 Speaker 6

I think we don't need to create.

00:41:32 Speaker 6

Anymore, new institutions we've got.

00:41:34 Speaker 6

Thank you institutionally. Play useful part, but I think we.

00:41:38 Speaker 6

Really need to.

00:41:39 Speaker 6

Use the existing ones. Much better for this and refocus.

00:41:42 Speaker 1

Them you wanted to come in on this.

00:41:43 Speaker 7

Thank you.

00:41:43 Speaker 1

One cheque yes.

00:41:44 Speaker 5

This is something we touch.

00:41:47 Speaker 5

You know?

00:41:47 Speaker 5

The climate finance negotiations began as a kind of.

00:41:53 Speaker 5

A separate world with.

00:41:55 Speaker 5

A pretty low opinion of World Bank.

00:41:57 Speaker 5

And the IMF, and so on. These were the good guys.

00:42:00 Speaker 5

And if you look at.

00:42:01 Speaker 5

The UNF Triple C, et cetera. The entire focus was that climate finance should be channelled through new institutions.

00:42:11 Speaker 5

So something called the Climate Fund or whatever was set up under the.

00:42:14 Speaker 5

UN, but you know it's very.

00:42:16 Speaker 5

Small institution I think a total capital of.

00:42:18 Speaker 5

About \$10 billion.

00:42:20 Speaker 5

To be spent over a few years.

00:42:22 Speaker 5

One of the points that we.

00:42:24 Speaker 5

Make and and.

00:42:25 Speaker 5

The trouble is, these negotiations are conducted by ministries that originally shaped and determined what the UNF triple.

00:42:34 Speaker 5

C would be.

00:42:35 Speaker 5

So deep in the psyche of people negotiating the climate change agreements is the notion that.

00:42:43 Speaker 5

It shouldn't be through the multilateral development banks. It should be through a new UN. More democratic agency.

00:42:51 Speaker 5

But the fact is that you can do.

00:42:53 Speaker 5

That, but you don't get much money.

00:42:55 Speaker 5

And where the money is is really in these institutions, although that holds for now, the strength of commitment is going down.

00:43:03 Speaker 5

So what we do say in the paper is that the the if developing countries and developed countries see that there is a global commonality of interest. I mean this is very important.

00:43:15 Speaker 5

Because development finances has a kind of global community of interest, but is mainly something that will help developing countries and indirectly help.

00:43:24 Speaker 5

The rest of world.

00:43:26 Speaker 5

Climate finance is something which is really addressing the creation of a global public good and the scale of resources required meant that action should shift from the cop discussions to we applaud the G20 because I was at that time.

00:43:45 Speaker 5

The principal agency for non security related collaboration.

00:43:53 Speaker 5

We have problems there because of Russia, Ukraine, walkouts, et cetera.

00:43:57 Speaker 5

I don't know how.

00:43:58 Speaker 5

Long does it.

00:43:58 Speaker 5

Take to sort out, but you know our view was that this year the Indonesians are chair of the G20. Next year the Indians are chair of the G20 and the year after that the Brazilians will chair the G20.

00:44:13 Speaker 5

You've got three major emerging market countries in a position to set the agenda of the G20, and this is the group that really make can make decisions on financing. So what we had said was that this whole thing should be shifted into this forum.

00:44:31 Speaker 5

Now how easily that can be done in the light of Russia, Ukraine, Kelly, you have to rethink. But it certainly should be on the agenda.

00:44:39 Speaker 5

Also, the G7 we are not members of the G7 when we get invited to these meetings, but it will be interesting to see whether some change of signal.

00:44:51 Speaker 5

That come from here I.

00:44:52 Speaker 5

Mean what someone said that the British strategy.

00:44:55 Speaker 5

Cuts out multiline.

00:44:56 Speaker 5

For lending and increases the bilateral OK quite apart from how effectively that money can be spent. So the great advantage of contributing to the multilateral agencies is they can leverage the resources. They don't leverage it as much as they could. So I think with a bit of imaginative.

00:45:17 Speaker 5

Financial engineering the leveraging could be increased from two and three to even 10.

00:45:22 Speaker 5

But from the buyout for a window, there's no leveraging.

00:45:25 Speaker 5

I mean, you give some aid.

00:45:26 Speaker 5

And then it's gone.

00:45:27 Speaker 5

Unless the British 1/2 and the others also set up a a separate development financing agency which they fund. Which agency then borrows which would be borrowing on the credit of the British UK Government?

00:45:42 Speaker 5

And thus maximise the food. I think we one thing is very clear if we stick if we stick with the institutions as they are, there's really only one sensible choice that needs to be considered.

00:45:57 Speaker 5

Which I think is what sumo also hinted at. That maybe the multilateral development banks have to be told.

00:46:04 Speaker 5

That look all your lending.

00:46:05 Speaker 5

Should be climate finance related?

00:46:07 Speaker 5

Now, obviously, if you've given loans for health and the agriculture and what have you which are being disbursed, you finish that, but.

00:46:17 Speaker 5

No new lending in these.

00:46:19 Speaker 5

Yes, is anyone?

00:46:20 Speaker 5

Willing to do.

00:46:21 Speaker 5

That I don't know.

00:46:23 Speaker 5

But that's the only way you.

00:46:23 Speaker 1

Aye aye aye aye aye.

00:46:24 Speaker 5

Can get a lot.

00:46:26 Speaker 1

I wouldn't.

00:46:27 Speaker 6

Bbed when I was there we moved the target from 25%. Had to be climate financing to 50% but I left and it.

00:46:39 Speaker 6

Was actually a.

00:46:39 Speaker 6

Lot of the opposition was internal amongst my staff because this meant they would have to change the products.

00:46:45 Speaker 6

Were offer on offer and being a bit more.

00:46:48 Speaker 6

Creative and thinking about it through.

00:46:50 Speaker 6

And we had some opposition from some of the shareholders to that, but they've achieved it, I gather, Yep.

00:46:57 Speaker 6

So, so this pressure will come.

00:46:58 Speaker 5

Up even amongst the developing countries, because they will interpret the cop correctly, the cop promise was additional.

00:47:08 Speaker 5

Yeah, so anything that's a shift is not actually additional.

00:47:12 Speaker 5

But if climate change finance is important.

00:47:15 Speaker 5

Well, I mean.

00:47:15 Speaker 5

You know, maybe it should be done.

00:47:15 Speaker 8

But let.

00:47:16 Speaker 1

Me just challenge you on that.

00:47:20 Speaker 8

Both both because of additional.

00:47:23 Speaker 1



Which is it's that, but also because development is not only about climate. For many countries, particularly low income countries who contribute a tiny tiny fraction of global emissions and will do for the next 20 years, New York State, it has more greenhouse gas emissions than.

00:47:43 Speaker 1

43 countries in Africa put together.

00:47:45 Speaker 1

But so they their tiny part of the problem, whatever they do on the transition is not going to make a very, very significant dent on the global need for transition, and they have many, many other priorities, including for example getting people to school, getting clean water, feeding their people, building infrastructure, etc.

00:48:06 Speaker 1

You wouldn't say for them.

00:48:08 Speaker 1

That they need to only have climate financial.

00:48:11 Speaker 5

Now you can look.

00:48:12 Speaker 5

Small at very poor countries.

00:48:14 Speaker 5

Deserve separate consideration, but my guess is that if you were to separate that and say for the weakest of the emerging more developing countries and we have to continue the way we are doing, there would be.

00:48:28 Speaker 5

But like what Suma said, instead of 100% of your lending becoming climate finance you.

00:48:33 Speaker 5

Would increase it.

00:48:34 Speaker 5

Or whatever it is to something very substantial, but it would mean that for countries like India, Indonesia or Brazil that.

00:48:41 Speaker 5

Cetera, the only finance they get would be for climate change that would be.

00:48:46

That would run.

00:48:46 Speaker 5

Into opposition 2 meddling from them so.

00:48:47 Speaker 1

For middle income Yep, yeah yeah. Yeah yeah, I think for middle income countries I can see.

00:48:52 Speaker 5

Yeah, so that's where the bulk of the yeah so.

00:48:56 Speaker 3

You could think of a model under which bilateral assistance.

00:49:03 Speaker 3

Could be directed to Africa.

00:49:06 Speaker 3

Let me just build a culture.

00:49:10 Speaker 3

So you could channel the US and European bilateral assistance to Africa more or less exclusively and you can add Afghanistan etc to that.

00:49:22 Speaker 3

And you can say multilateral institutions 90% of that.

00:49:27 Speaker 3

Take a number.

00:49:29 Speaker 3

Should be channelled primarily exclusively for climate change.

00:49:34 Speaker 1

Even for the African Development Bank, yes.

00:49:38 Speaker 3

And the reason is this montech mentioned.

00:49:42 Speaker 3

Suma mentioned because of leveraging leveraging in number of ways, first leveraging of their capital.

00:49:50 Speaker 3

Very important, but secondly Montech mentioned you use there.

00:49:56 Speaker 3

Policy helped.

00:49:59 Speaker 3

To leverage.

00:50:02 Speaker 3

They obviously have their human resources, their experience to get policy changes in the countries because that's the only way. Private sector.

00:50:11 Speaker 3

Will come in.

00:50:14 Speaker 3

That's very important to prime the pump.

00:50:18 Speaker 3

And that's how you get IFC. You get other private sector arms or these institutions. Without that, the numbers that next turn and colleagues are putting on the table will not be achieved.

00:50:30 Speaker 3

That you can't get through bilateral aid.

00:50:32 Speaker 1

Yes, but they also we shouldn't dominate 'cause I mean I need to open floor. There's also a whole lot of other numbers that on the table like how many girls need to get to school, how many people need to get?

00:50:42 Speaker 1

Water and so on digits.

00:50:43 Speaker 3

They, India's and China's can handle that domestically Africa. No. That's why I started with bilateral aid.

00:50:45 Speaker 1

No, but averaging? Yeah, but.

00:50:49 Speaker 1

There's not enough financial. The multilaterals need to leave that.

00:50:52 Speaker 1

Well, anyway, I don't want to dominate with this discussion as important as it. Let's open it up. I'll look online to see what the questions are, but who would like to pose a question?

00:51:04 Speaker 1

Yeah, Elizabeth in the back of the room has a microphone. We do need to use the microphone because this is being recorded and relayed to those.

00:51:13 Speaker 1

But I like this talk with the person closest to you, Elizabeth.

00:51:18 Speaker 9

Hi, my name is Abby. I'm a different student. Oxford Department of International Development. I also run a policy platform in Bangladesh with young people.

00:51:25 Speaker 9

So my question is, in I think 2017 or 18 EBRD came up with annual report on middle income trap and my research is focused on that. So the whole discussion on climate change.

00:51:37 Speaker 9

And does it make skipping the middle income trap more difficult for late late developers? For example, if we talk about countries like India and also now Bangladesh, which is a lower middle income country?

00:51:49 Speaker 9

And does it pose a dilemma for policymakers who have an election cycle to decide on which one to prioritise?

00:51:57 Speaker 9

And so yeah, I just wanted to take the.

00:52:00 Speaker 9

View of the panel.

00:52:01 Speaker 1

On that OK, if you don't have a particular person you want to post to, it's fine to post the panel and I'll leave it to them to come. Let's just.

00:52:08 Speaker 1

Got very few questions if we can, yes the person along there, yeah.

00:52:14 Speaker 10

Good afternoon, I'm Peter Hinton. I'm a default student and looking at finance for education in Africa.

00:52:20 Speaker 10

I teach her on impact investing at the.

00:52:21 Speaker 10

Business School I want to get.

00:52:23 Speaker 10

Back to Stephen Durkon who.

00:52:26 Speaker 10

Launched his book earlier in this series.

00:52:28 Speaker 10

And he clearly says, and he uses Bangladesh is an example of a success story, despite its problems with corruption, he says it's critical that that we enter into elite bargains.

00:52:40 Speaker 10

We're going to get development looking at climate change investment. How do we harness and agree with the elites in various countries?

00:52:48 Speaker 10

We have to deal with come to bargain with them to actually progress and develop along a more less inequality and more climate friendly approach.

00:52:59 Speaker 10

So I'm interested in what you could.

00:53:00 Speaker 10

Look at your index. I don't see a chapter on elite bargaining, and I'd like your thoughts on that.

00:53:09 Speaker 1

OK, let's take one more.

00:53:17 Speaker 2

And thank you so much. I'm an M Phil student in development studies and I suppose my question is more.

00:53:25 Speaker 2

On behalf of.

00:53:25 Speaker 2

I guess the the young people who are about to start a job or look for a future career in development, and I was sort of wondering when.

00:53:32 Speaker 2

Thinking about these problems and thinking about 2016, where the world might be, how we should think about our careers and the tradeoffs between joining academia or joining more of the multilateral organisations or private finance companies.

00:53:45 Speaker 2

In solving these issues, such as inequality and climate change, thank you.

00:53:51 Speaker 1

OK, let's start with those three. Then I'll go online so I do see we've got some questions and we'll come back to the room for the next run. If you can keep your just reasonably short, we'll have time for more rounds.

00:54:03 Speaker 6

Really bargains question, question I. I think Steven right. I mean in throughout our careers, we've had to make that sort of bargain.

00:54:13 Speaker 6

If you like with elites about how to persuade them essentially to do things which may in the short term look to be against their personal interest.

00:54:23 Speaker 6

Their political interest, but in the longer term is certainly in the national interest probably, and probably the global interest.

00:54:29 Speaker 6

And I actually wrote something about this during lock down because I felt my whole capacity to do elite bargains with leaders of these malignant countries that my bank was serving was actually constrained, because what that requires is the conversation face to face.

00:54:49 Speaker 6

As to why this is, in the interest of that elite to move in this direction, and I think you have to point to a lot of things that are changing those countries, which often elites are not aware of.

00:55:01 Speaker 6

But research will show in younger people. Young people, for example, voters who are coming through, they're looking for quite different things from their elites in future and to the extent that they this matters to some of those elites.

00:55:12 Speaker 6

In some countries it doesn't matter because frankly the votes are weighed, not counted, and you know this is something that they do understand more of.

00:55:21 Speaker 6

Or if you link it to things like national security threats, climate, climate change will take the war question of water in whole of Central Asia. So often I used to get into conversations with leaders in central.

00:55:32 Speaker 6

Measure around water because they saw that as a sort of competitive problem between the countries and that's why they should try and tackle it together.

00:55:41 Speaker 6

Those sorts of things and climate was often I tried to address those sort of issues in these conversations. The leads in that exactly that way why it would be in their national interest to do so. Why that would also help.

00:55:52 Speaker 6

With the short term support from many of the people who are actually losing their livelihoods because of lack of failure to tackle those other issues around the Aral Sea or whatever, you can talk.

00:56:03 Speaker 6

So Li Bargains is something that we need to address, and that's at national level or regional level, but potentially also international level.

00:56:12 Speaker 6

Why should you know? Because we're worried, I think seeing the segment segmentation the US China segmentation, you've seen the Marshall system. How are we going to?

00:56:21 Speaker 6

Get those two elites.

00:56:22 Speaker 6

There's two countries had to address each other on some shared interests, and I think the multilateral system could do that.

00:56:29 Speaker 6

The G20 could do that.

00:56:30 Speaker 6

Particularly, I think Monty is right. The next three G20 presence is a real opportunity for doing.

00:56:36 Speaker 6

But I bet you the meeting in Jakarta will be all about whether Putin is attending or not attending and not about.

00:56:42 Speaker 6

These sorts of issues.

00:56:45 Speaker 3

You want to take the middle income trap question.

00:56:50 Speaker 5

I missed what is the exact formulation that you want.

00:56:53 Speaker 5

To build.

00:56:55 Speaker 5

Back up.

00:56:56 Speaker 9

So is it becoming even more difficult for late, late developers to skip the middle income trap because of the cost?

00:57:04 Speaker 9

Like you know.

00:57:05 Speaker 9

For transition to Ukraine, which South Korea and others developers did not have to face so.

00:57:11 Speaker 5

No, I I don't think it becoming.

00:57:14 Speaker 5

Thing is, the world's more complex, and I think in those days the world was opening up and there were only a few countries with either good sense or good luck or whatever it is to follow an open strategy. And there was a very easy strategy to why I.

00:57:31 Speaker 5

Don't mean to minimise this.

00:57:33 Speaker 5

Success, but it was relatively easier to follow that approach. The world become more complex.

00:57:41 Speaker 5

And therefore the whole.

00:57:42 Speaker 5

The nature of the middle income trap.

00:57:44 Speaker 5

So called, I mean, it's more institutional. The kinds of things that you are now expected to put in place are vastly more complex.

00:57:54 Speaker 5

And what say the Republic of Korea had to put in place there?

00:57:58 Speaker 5

Was much more.

00:57:59 Speaker 5

Efficiency oriented get the job done, etc.

00:58:02 Speaker 5

Today global governance, corporate governance, all kinds of things. I don't think it's more difficult. I think there there needs to be clarity.

00:58:12 Speaker 5

On the part of the political leadership, what is it that they're really going to do? And I think the real danger I'm I'm afraid, and this comes out in the international sphere also is that you know, uh, clarity



comes when you define some things as critical. Clarity does not come if you define everything as important and in my.

00:58:32 Speaker 5

Sort of reaction to a lot of the international discussion on sustainable development goals. There is not a single worthwhile thought in human development that is in somewhere or the other not pegged onto something called a sustainable develop.

00:58:48 Speaker 5

The goal this makes leaders sort of pay homage to it, but most of them don't understand what the hell is all about.

00:58:55 Speaker 5

So frankly, I think there's some merit in saying all that's important, but the next 20 years was fixed climate change. I think they would very easily be able to agree on certain things. Takes a lot.

00:59:08 Speaker 5

Of political mileage to address opposition to you know sensible policies directed in in in in the right direction.

00:59:21 Speaker 5

But if they are kind of having to follow multiple objectives, then the political leaders will basically mount the slogans.

00:59:29 Speaker 5

And do nothing.

00:59:31 Speaker 5

You know?

00:59:31 Speaker 5

No, that's my feeling. So it's not more difficult. It's not more difficult in one sense, but it's more complex.

00:59:39 Speaker 3

In another sense.

00:59:40 Speaker 3

So if I can add.

00:59:43 Speaker 3

One tech side which is very correct, by the way. I've written a bit on middle income trap myself.

00:59:50 Speaker 3

And we look we compared South Korea and South Africa and Brazil. Why South Korea succeeded while South Africa and Brazil, for example, did not.

01:00:02 Speaker 3

And there is one basic lesson which is institutions in addition to a lot of other things, outward looking competition.

01:00:10 Speaker 3

Sector the key was institution. Do countries build institutions in advance? What institutional structures are necessary in advance and they do improve them? And that's the key.

01:00:25 Speaker 3

That's the single most important thing.

01:00:28 Speaker 3

And that's I think what this needs to keep. Not today, what institutions would need next year, two years, five years ahead. Your question, you know? Montag and I joined the World Bank.

01:00:41 Speaker 3

Couple of years after Montag, I did, we joined as young professionals.

01:00:46 Speaker 3

When the bank hired young professionals bite, people not meet him right? And you went up the system.

01:00:55 Speaker 3

But it also young people hired people like Ian with experience in certain sectors.

01:01:01 Speaker 3

Experts super bright people.

01:01:04 Speaker 3

My suggestion to you would be consider multilateral institutions as a career.

01:01:10 Speaker 3

But do something before. That's something practical. Go and work. In some countries some area come back with experience three or four years of experience.

01:01:11

Or that?

01:01:21 Speaker 3

Whether it's climate change or inequality, practical experience and then you have a wonderful career. Don't think you'll spend 30 years 40 years in a multilateral institution.

01:01:33 Speaker 3

Spend 10 years 15 years contribute and go and do something different.

01:01:38 Speaker 6

So the thing you should do before you join the professional programme. The World Bank is, you should become an ody feather.

01:01:45 Speaker 6

Which is what I did.

01:01:46 Speaker 6

I mean to be after university, Oxford and so that's that. That gives you the applied experience because you've been working in their emerging market developing country government as a young economist or statistician.

01:01:58 Speaker 6

And for two years, and many of those area colours then go on to come wipies.

01:02:03 Speaker 6

In the World Bank.

01:02:03 Speaker 1

You go back.

01:02:04 Speaker 6

Or did I?

01:02:04 Speaker 6

Do something even come to guardians.

01:02:09 Speaker 1

The only thing I would add to that.

01:02:11 Speaker 1

Is that now we have to work hard because 33,000 thirty 3000 people apply for the World Bank Young professional programme and about 30 get it, so it's tough. And that's true of Odfi as well. Very intense competition.

01:02:28 Speaker 1

Up 5%, but don't beat up on yourself if you don't get it. There's lots of other things in development to do than the main things I think to be passionate and to keep. Keep working on it.

01:02:41 Speaker 1

That's great, let's take some questions that have come online, uh?

01:02:47 Speaker 1

So this is a.

01:02:49 Speaker 1

Simple one perhaps for you, and please define emerging markets.

01:02:54 Speaker 1

Is India emerging market?

01:02:58 Speaker 1

One from is.

01:03:01 Speaker 1

This is also whoever wants to ask him, maybe for you render.

01:03:07 Speaker 1

The three basic issues shouldn't productivity.

01:03:12 Speaker 1

Be the first one addressed so that you get the growth to be able to address the others. Is there a sequencing and?

01:03:23 Speaker 1

There's a question on the potential for climate change, induced food and water shortages in destabilising the models. Maybe for human tech.

01:03:33 Speaker 1

Uh, what the potential is for that to disrupt everything.

01:03:36

Right?

01:03:37 Speaker 1

And then a question from Sarah Crowe. I know. Hi Sarah, nice to know you online in real time events also profoundly changing scenarios don't take into account big changes such as the changes we're seeing now with the war in Ukraine, the Kovacs rollout.

01:03:58 Speaker 1

Et cetera. How does one take account of these big changes in trying to think long term?

01:04:06 Speaker 3

Well, very good question. Let me take the first two and then one take probably once again.

01:04:14 Speaker 3

And then we'll come back to the last question. Merging markets the way we defined, we started with a relatively narrow definition long ago, which was which markets the private sector is interested in, and that was the initial definition some 30 years ago. It was coined by.

01:04:34 Speaker 3

Some of my colleagues from IFC, your colleagues also in and then when we started emerging Markets Forum, we felt that we need to go beyond what private sector was interested in. We defined as countries which had promise of development.

01:04:53 Speaker 3

Where there is scope for countries to converge with developed countries which are now defined as advanced countries as Oakden IMF define there was a scope for convergence in relatively.

01:05:09 Speaker 3

Near future next.

01:05:12 Speaker 3

20-30 years and we are defining now.

01:05:18 Speaker 3

30 years most of our work is for the next generation of two and this is how 2060 comes in and we define countries like China and India definitely as emerging markets and there is a bit of a stretch when you look at sub Sahara Africa.

01:05:37 Speaker 3

Because it has countries like Niger, Mali and we are not defining that as emerging markets at the moment.

01:05:45 Speaker 3

Like there are lot of failed states or the World Bank defines.

01:05:48 Speaker 3

And we're not defining that as emerging markets. So by my definition, the way we are, which is bit of loose definition, I admit we have something like 120 countries in the world to emerging markets. There are 36 countries that advance and then you can calculate that of the 196.

01:06:08 Speaker 3

Country though, so in the world tests are not checked. Emerging markets so.

01:06:12 Speaker 3

Is the way we're defining that.

01:06:18 Speaker 3

In terms of the second question was if you remind me for many.

01:06:21 Speaker 1

Whether productivity needs to come, changes need to come before the others, so you.

01:06:25 Speaker 1

Have resources to do them.

01:06:27 Speaker 3

Well, productivity at the end is a bottom line. If you, you know, develop a simple model of public model with.

01:06:35 Speaker 5

Three factors which.

01:06:37 Speaker 3

Ultimately, define economic development, not social development, which are demographics.

01:06:43 Speaker 3

Labour capital and total factor productivity and demographics, which is labour is relatively stable in terms of projections. You can't change it.

01:07:00 Speaker 3

Capital investment yes, you can change it a little bit, but that also doesn't change dramatically the lot of weight.

01:07:08 Speaker 3

Roughly, 2/3 of powerful growth in most countries accounted for by total factor productivity, which is admittedly residual, but the slieverue can.

01:07:18 Speaker 3

Push much more with policy changes.

01:07:21 Speaker 3

And but even though there's a lot of debate how to do it, and your paper, everybody should read.

01:07:26 Speaker 3

If I can advertise it.

01:07:29 Speaker 3

However, what happens with climate change will have a big big impact, and it's a big issue. I think the whole planet could collapse unless that issue is tackled and that's why I started with that. Inequality is equally important not only in economic growth terms, but also social.

01:07:47 Speaker 3

And political.

01:07:49 Speaker 3

But the reason I ended by talking about productivity is that the biggest lever in our model, in terms of growth terms.

01:07:59 Speaker 3

Particularly if you use that in terms of a.

01:08:03 Speaker 3

30 year time.

01:08:04 Speaker 3

Period, the biggest difference between optimistic and pessimistic scenario is productivity, but within that is the issue of climate change. So you have to factor that. It's very difficult in terms of quantitative modelling.

01:08:21 Speaker 3

To to quantify the impact of climate change, action or inaction.

01:08:26 Speaker 3

That one, but in sheer economic terms, to the extent you can do modelling and total factor productivity is the dominant factor.

01:08:35 Speaker 1

Mark, do you want to comment on the?

01:08:37 Speaker 1

Food, water.

01:08:39 Speaker 5

Yeah, but can I ask something on emerging markets? It's not. I think Vannacht Mile, whom you probably know in the IFC first.

01:08:47 Speaker 5

Coined the phrase.

01:08:48 Speaker 5

And I'd asked him, why did you coined this phrase. Emerging markets and he.

01:08:53 Speaker 5

Said, you know?

01:08:54 Speaker 5

We're we're responding to a situation wherein investor class had emerged in Western capital markets willing to invest in stock markets in what were then.

01:09:08 Speaker 5

Or developing countries.

01:09:10 Speaker 5

And he said, look if.

01:09:10 Speaker 5

You go to.

01:09:11 Speaker 5

A bunch of investors they invest in developing countries. It's bad marketing. It doesn't sound right, whereas if you say.

01:09:18 Speaker 5

These are emerging more.

01:09:20 Speaker 5

It's sort of conjures up visions of your rising stock price, so we're straight. PR job is good term since then.

01:09:27 Speaker 5

Of course it has.

01:09:28 Speaker 5

Become virtually every developing country that isn't a failed state is just called in emerging market country I. I think there's some marriage. I mean, there's nothing wrong with.

01:09:38 Speaker 5

Being a developing country.

01:09:40 Speaker 5

I think there's some merit in restricting the term emerging markets to countries that have opened the capital market and investors are sort of welcome to come in.

01:09:49 Speaker 5

And certainly China. India are like adding many others are. But maybe the IMF has a definition of emerging markets which virtually includes.

01:09:59 Speaker 5

All countries except those that have serious problems. You know the water issue. There's no question that climate change will affect many things, but we know that what it is going to do is going to alter both the level of precipitation and more importantly, the variability.

01:10:19 Speaker 5

Of precipitation.

01:10:21 Speaker 5

Funnily enough, for the 1st 2030 years or so, the actual level of precipitation may increase because you can get a lot of glacier melt and whatever that does to rainfall and so on, but variability will increase. You will have many more extreme weather events now that poses real problems.

01:10:41 Speaker 5

For conserving water, I mean the easiest kind of rainfall situation to manage.

01:10:47 Speaker 5

Is there one in Britain where you have a reasonable amount of?

01:10:50 Speaker 5

Rain and it.



01:10:51 Speaker 5

Falls virtually through through the year, so it can.

01:10:55 Speaker 5

Soak into the ground amongst the worst.

01:10:58 Speaker 5

Is India where we actually have a reasonable amount of rain but it all falls in 2 1/2 months of the year now. Just imagine from our point of view if that 2 1/2.

01:11:07 Speaker 5

Month become one.

01:11:08 Speaker 5

Month, and this has happened in the sense that.

01:11:11 Speaker 9

That cities like.

01:11:12 Speaker 5

Mumbai have experienced precipitation four or five times what they were used to traditionally for a particular year. You know what that does for urban drainage?

01:11:23 Speaker 5

Systems, I mean, you would have to plan for a drainage system that can deal with a much larger amount of potential water falling at any one time.

01:11:35 Speaker 5

And if you think about that, that's a humongous investment to make in the whole city. So frankly, a lot of what needs to be done.

01:11:43 Speaker 5

Is actually the same as how to deal with water scarcity? I mean we have afforestation.

01:11:50 Speaker 5

And a lot of the kind of ways of irrigating things. The earlier approach that you should build dams is giving way to other forms of water management.

01:12:04 Speaker 5

Which are actually.

01:12:04 Speaker 5

Potentially very productive, but they've never been. They've never received the attention that they deserve.

01:12:10 Speaker 5

So I think that's a big area where in relatively limited amount of time over a period of five to 10 years, if there was a change in policy.

01:12:22 Speaker 5

But the most important thing about the change in policy is the money, which currently goes to construction of dams.

01:12:28 Speaker 5

Teams should be shifted to smaller things checked down the forest station, et cetera, et cetera. But if you did that, I think the.

01:12:36 Speaker 5

Feedback I mean?

01:12:37 Speaker 5

The response would be tremendous. Lots of.

01:12:40 Speaker 5

If micro evidence in India that where communities have done that, the payoff has been huge.

01:12:49 Speaker 5

So it's a. It's a very important area.

01:12:51 Speaker 4

Just one other question.

01:12:53 Speaker 1

Yeah, this is going.

01:12:55 Speaker 1

Into crises yeah. And I'm going to ask you another question that's come up.

01:13:03 Speaker 1

I don't know. I mean here the based on corresponding price but but this is something also that maybe you couldn't think the trade offs between these different priorities.

01:13:13 Speaker 1

How did you know you? You sort of you were advocating that we wish that the multilateral banks shouldn't trade them off. Let's just focus on climate.

01:13:21 Speaker 1

But how does one weigh up the needs of inequality of education of climate and others?

01:13:31 Speaker 6

Well, you know there was an old adage to govern is to choose and my fear is actually many governments don't choose and we will see that in the I think in the G20 as well.

01:13:43 Speaker 6

We have this as Montag said, you know, with the SDG's or whatever you have this sort of Christmas tree approach too.

01:13:50 Speaker 6

Issues and and I think underlying both those questions is a leadership problem. So when we had the last major financial crisis, there was a G20 leadership.

01:14:02 Speaker 6

I think I mean Obama and Gord brand so he led it. But it was a G20 consensus on how to tackle it and there was a successful.

01:14:12 Speaker 6

We've had two crises very close to each other. One of course the COVID-19 pandemic and then more recently the invasion of Ukraine, which is, I think, a bit of a global crisis because it's so, you know, obviously breaking apart alliances.

01:14:28 Speaker 6

And I think we are not seeing that sort of leadership anymore. That's why I wish mantek well for what he's saying on the G20.

01:14:35 Speaker 6

But maybe the next three G20 presidencies can do something. But I think the G20 is rather burned itself out in last 10 years. Now. Let's hope they can rejuvenate.

01:14:46 Speaker 6

It's that leadership with the G20 where I think these tradeoffs should be being made, I mean.

01:14:52 Speaker 6

I'm in the camp with one take on climate, probably being the top priority right for our generation.

01:14:57 Speaker 6

Our kids as well, but that's not something they've decided in the G20 leadership yet. That's what they should be pushed for for towards, and that requires.

01:15:07 Speaker 6

One or two conductors of the orchestra.

01:15:10 Speaker 6

To play that role, to show that lead.

01:15:12 Speaker 6

Ship and it would be nice to think that maybe on one issue, maybe climate, the US and China could actually come together and share that leadership. They've got to find some common causes and this is one I think they could find.

01:15:27 Speaker 1

Let me just get a sense of how many more questions there are. OK, a few.

01:15:31 Speaker 1

Let's go back to the room, and if we don't get to everyone, I'm sorry. Yeah the let's start over here, Lisbeth, with this little cluster of three.

01:15:44 Speaker 7

Hi, thank you so much for this talk. Sorry I'm I'm a MMC and incoming diffuse student in sociology and so if it identifies 3 urgent issues for us and they are climate change inequality and productivity, and so I feel that inequality is.

01:16:03 Speaker 7

Actually, the core concern of sociologist, but I just feel that sociologists are trying so hard, but they are not making very.

01:16:14 Speaker 7

Uh, performed.

01:16:16 Speaker 7

Uh, sorry. Influence on the world like those maybe policy makers and those people working in the World Bank. So my question is actually related to this question of your advice on job opportunities for young people. So if we choose the academia.

01:16:35 Speaker 7

Past if we choose to become academic scholars or researchers, what would you think that we can do to help contribute to these urgent issues for us?

01:16:46 Speaker 1

OK, remember these questions 'cause I'm going to try and capture them all except we're going to have time for and keep your questions short and then we'll hopefully have time for all of them.

01:16:55 Speaker 1

Yep, the person.

01:16:56 Speaker 11

Next time, thank you very much for the talk. I'm Derek. I'm a PhD student in chemistry. I was wondering so a lot of resources are being depleted quite fast.

01:17:06 Speaker 11

And this includes formally very abundant resources like phosphorus as well, and then in terms of sustainable devogt development, how do you see the impact of this on the emerging markets and?

01:17:18 Speaker 11

Are we are we?

01:17:20 Speaker 11

So focusing too much on trendy topics and maybe overlooking some of the more obscure but we get important problems that might be way too important in the the same the next 30 years in the next 50 years. Thank you.

01:17:34 Speaker 1

Very interesting question. First in front of you, yeah.

01:17:39 Speaker 8

Thank you so much for the talk. My name is Arnold. I'm studying for an M SC in law in finance.

01:17:44 Speaker 8

My question is to do with sort of the alignment of incentives of the of world leaders. And there was a mention of how some Western countries and their voters the younger generation.

01:17:56 Speaker 8

Actually I started vote has started recognising climate issues while making the the decision.

01:18:03 Speaker 8

Of who to vote?

01:18:03 Speaker 8

For but this is, I feel visibly absent in the emerging markets.

01:18:08 Speaker 8

So, and elections are obviously the clearest way to align the incentives of politicians to issues like climate change.

01:18:16 Speaker 8

So how do we then align the incentives of the leaders of the emerging markets with distant issues like climate change?

01:18:26 Speaker 8

And as a corollary, corollary to that question, can multilateralism be an answer to that, especially from a perspective of finance where the for example loans can be linked to sustainability targets by?

01:18:42 Speaker 8

Uhm, these world organisations you.

01:18:46 Speaker 1

Thank you very much. A tough question. Let's try and just take the other. The remaining two is it, yeah?

01:18:54 Speaker 12

Thank you so much for the talk. My name is Shivani. I'm a master student in law and finance.

01:19:00 Speaker 12

Uhm, maybe a slightly naive question, but I mean, given the amount of financing required for climate change, what are your views on the role that the private sector has to play and at?

01:19:15 Speaker 12

Some level is there.

01:19:16 Speaker 12

A requirement for a realignment of the profit motive.

01:19:20 Speaker 12

For the private sector and how do you sort of go about achieving that?

01:19:25 Speaker 1

OK, final question.

01:19:29 Speaker 4

Alright, thank you I'm gonna I'm doing a D Phil in transport studies at School of Geography I I was I wanted to ask you about the transition to renewable energy in India and one do you see the recent climatic events such as the heat wave to disrupt this transition or India's prospects for transition to Ari in the short to medium term? Because that led to a.

01:19:49 Speaker 4

Power shortage in the whole who, however coal and so on in the states.

01:19:52 Speaker 4

And so on, and at a more much more wider level, how do you equate India's prospects for renewable energy transition with some of the moves that have been made in past years? Recently, such as the privatisation of coal mines and the much documented India's stubbornness to not sign on to facing away of coal and so on.

01:20:14 Speaker 1

OK, should we start?

01:20:17 Speaker 1

Remember, something should start at the end.

01:20:19 Speaker 1

With what you want, take maybe.

01:20:21 Speaker 5

Call me.

01:20:21 Speaker 5

The question you want me to answer is a different little overlapping.

01:20:24 Speaker 1

Yes, so let's just start with with India and the severe heat wave and shortage and privatisation of coal mines and where that's going to be too.

01:20:35 Speaker 5

What about quote?

01:20:36 Speaker 1

The organisation.

01:20:39 Speaker 1

Whether that's going to lead to a dilution of achievement of climate objectives.

01:20:45 Speaker 5

No, the the heat wave. I'm assuming the heat wave is part of the kind of climate change that we've all been predicting.

01:20:53 Speaker 5

I'm not an expert on it, but it driving home the fact that we got to do something OK. I'm not sure how privatisation of coal mines matters in this context.

01:21:06 Speaker 5

But quite honestly, if we're going to achieve the objectives that we have ourselves set.

01:21:11 Speaker 5

And frankly, we have just phase out coal and my own guess would be that if you go to the private sector and say that you know we're going to phase out coal, how about you setting up a coal mine?

01:21:25 Speaker 5

The chances are they're not not going to be very interested in doing it. They might be willing to buy a public sector coal mine.

01:21:32 Speaker 5

In the belief that they get exploited during the period that coal is still being used more efficiently, but frankly, the IT politically very difficult to prioritise something which is currently in the public sector.

01:21:46 Speaker 5

I think.

01:21:47 Speaker 5

The important thing about coal coal mines in India is that everybody concerned should be aware that coal mines are going to get phased out.

01:21:59 Speaker 5

You know we were criticised a lot in Glasgow because we didn't want to say something like the debate about whether we should be.

01:22:08 Speaker 5

Phasing out or phasing down both China and India were quite willing to face down, but not phase out.

01:22:15 Speaker 5

But these are matters of detail. I mean the it's unambiguous. Either we give.

01:22:20 Speaker 5

Up the the mitigation.

01:22:24 Speaker 5

A commitment that we've made or we have to assume that by 2050 the total production of gold in India would have to be much less than what it is now.

01:22:37 Speaker 1

OK, we've got 5 minutes left.

01:22:40 Speaker 1

To answer all these questions and render, choose and pick and I'll leave it to Sumitomo. Pop up the rest.

01:22:47 Speaker 4

Let me take.

01:22:49 Speaker 3

The first question.

01:22:53 Speaker 3

We talk quite.

01:22:54 Speaker 3

A lot but climate I think.

01:22:55 Speaker 3

Is very important.

01:22:56 Speaker 3

And it's.

01:22:57 Speaker 3

Well covered.

01:22:59 Speaker 3



But I do feel inequality is a big issue.

01:23:03 Speaker 3

So I want to come to your question.

01:23:05 Speaker 3

First, I will commend you in others to read. The chapter on inequality.

01:23:10 Speaker 3

Yeah, I think it's a thoughtful paper, but I want to start by saying that three years ago at G7 meeting.

01:23:21 Speaker 3

And barats.

01:23:24 Speaker 3

All seven leaders, heads of states.

01:23:28 Speaker 3

Uhm, adopted a paper which we had something to do with and promised.

01:23:35 Speaker 3

That they'll do something very proactive.

01:23:39 Speaker 3

To lift the bottom 40% in their countries.

01:23:45 Speaker 3

And guess what, even though they unanimously.

01:23:47 Speaker 3

Agreed, and nothing happened.

01:23:51 Speaker 3

G7 countries.

01:23:54 Speaker 3

And inequality increased in most of the G7 countries.

01:23:58 Speaker 3

Even though all 7 members of G7 countries signed off that they were directing their governments.

01:24:07 Speaker 3

To do something about it.

01:24:09 Speaker 3

It's a very difficult issues.

01:24:11 Speaker 3

And not only G7 countries inequality is rising is rising in China, India, Brazil?

01:24:17 Speaker 3

Nigeria, South Africa, you name it and the paper.

01:24:22 Speaker 3

The the chapter discusses that.

01:24:25 Speaker 3

Multilateral institutions.

01:24:28 Speaker 3

Whether it's World Bank, African Development Bank?

01:24:32 Speaker 3

Asian Development Bank.

01:24:35 Speaker 3

Inter American development banks. They all say they're going to tackle inequality assessments, and despite all that.

01:24:44 Speaker 3

Not much is happening at the country level.

01:24:47 Speaker 3

The reason is.

01:24:49 Speaker 3

We pronounce policy level like, not.

01:24:56 Speaker 3

The Cove is not reversing, it's not bending.

01:25:00 Speaker 3

Much of what needs to be done is at the country level.

01:25:04 Speaker 3

It's not the global level.

01:25:07 Speaker 3

At paper, the chapter has a long list of actions which are necessary.

01:25:15 Speaker 3

But the real solution is leadership in the country's mouth, lot of actions. But actions are not really taken.

01:25:26 Speaker 3

I think the real solution is.

01:25:28 Speaker 3

Young people civic groups have to say this has to stop.

01:25:35 Speaker 3

And actual actions have to be taken and they start waving.

01:25:40 Speaker 1

We only have two minutes and I want to consume dancers request.

01:25:43 Speaker 3

So believe it chapter.

01:25:45 Speaker 3

I teach the thoughtful chapter.

01:25:49 Speaker 6

So thank you very much. I mean that these are all very tough questions. I mean are we overlooking certain topics?

01:25:55 Speaker 6

I feel I could give you the Donald Rumsfeld answer if I knew I'd be a very rich man. But you know, yes, in your owner, I think rare Earth minerals is a sort of a neglected area. For example, a lot of these natural resource issues.

01:26:08 Speaker 6

Are neglected still and phosphorus be another one? So yeah, for sure. I think MDB loans and sustainability targets. But if you look at the multilateral development loans increasing, they do have quite a lot of similar targets.

01:26:22 Speaker 6

But they're always up against it because to negotiate those sustainability type targets, a project level takes more time because you're trying to persuade, let's say, a private sector entrepreneur to invest more in certain technology and to prove that there's going to be quick payback. It's got easier because the technologies become better and cheaper.

01:26:43 Speaker 6

So the you know, renewable energy being a classic point, it's now very, you know, much easier to convince countries and entrepreneurs to do that sort of thing.

01:26:52 Speaker 6

For sure, the world of the private sector and climate change is enormous. Absolutely, I mean, you know you have to engage the private sector because the manufacturers and others at that level.

01:27:02 Speaker 6

And so the multilateral institutions, I think, whether it's EBRD or IFC in the in the World Bank institutions of folks on private sector, they need to.

01:27:12 Speaker 6

Actually scale up even more than some others, I think, and it can leverage and bring in private sector players sovereign wealth funds, pension funds. All of these.

01:27:21 Speaker 6

Potential sources of finance actually also work with the private sector, so for sure that's that's a big agenda ahead, I think.

01:27:29 Speaker 1

I'm frank.

01:27:30 Speaker 1

We have time.

01:27:33 Speaker 1

Thanks so much for coming, thanks.

01:27:36 Speaker 9

All of you online.

01:27:37 Speaker 1

So this is being recorded and will be available if you want to share with others, we'll go back over it.

01:27:44 Speaker 1

And particularly thanks to to our panellists. It's really is a pleasure to have you here. I'm sorry that the time hasn't done justice to.

01:27:54 Speaker 1

The depth and wealth of information you have out there. Very few questions on development that you don't have a deep deep experience on, but it's been a treat to to have you here and I encourage you all to get the book.

01:28:08 Speaker 1

I see there's still quite a few behind down there. People have been stepping up and getting some, and as I mentioned at the beginning.

01:28:15 Speaker 1

Horrendous kindly made available to those that if we do.

01:28:18 Speaker 1

Not you, but he'll send some more, so that's really a a tremendous opportunity. Not often at book launches that you get given free books.

01:28:26 Speaker 1

I'm trying to recall when we last did that, so this is the new way of doing things. Externality of ideas which are embedded in that. So thank you so much and good.

01:28:38 Speaker 1

Sun shining and maybe there are occasional afternoons in England when it doesn't rain.

01:28:44 Speaker 1

But thanks to you all for being here.