

**Participants:**

**Keynote:**

**Javier Solana**, President of the ESADE Center for Global Economy and Geopolitics

**Panel:**

**Muhamad Chatib Basri**, Former Finance Minister of Indonesia

**Kemal Derviş**, Vice-President and Director of Global Economy and Development, Brookings

**André Sapir**, Senior Fellow at Bruegel

**Chair:**

**Alicia García Herrero**, senior fellow, Bruegel

**Notes:**

The European Union must work more closely with emerging economies. Beyond its trade agreements, it must provide capability and incentivise these economies to engage in trade and open investment regimes.

The catch-up of emerging economies such as China and India is a very big issue for the United States, especially in terms of foreign policy. In Asia, worries about the rise of these two countries are leading to calls for more US involvement in order to balance this (the Trans-Pacific Partnership, for example, has a very important foreign policy dimension). The EU can help in this regard: it has a strong interest in reinforcing global governance, in being more inclusive of the emerging economies, for example by reforming voting rights in the international institutions. It is also in everyone's interest to ensure that new institutions, such as the Asian Infrastructure Investment Bank, have a good governance structure.

Convergence and a rising share of emerging markets in the global economy are a fact. Demographics play a big role: by 2050, for example, there will be between 3.5 and 4 billion Africans. The emerging economies, however, are not yet ready to be the locomotives of global growth: they are currently too resource-dependent. They must invest in human capital and in improving their institutions. A proper sequencing of reforms is very important.

Concerning the theory of Secular Stagnation, a solution to the problem of excess savings in the advanced economies is to invest in emerging markets, and thereby adjust through exchange rates, instead of interest rates.

Finally, the EU must improve its neighbourhood policy. We depend on our neighbourhood for our energy supply, but do not have a coherent policy towards it. There is a risk of a new dividing line within the European Union on this issue: between the east and the west.

*Event notes by Álvaro Leandro Fernández-Gil, Research Assistant*