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Public Concerns about Globalisation

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- Would like to share some insights with you on globalization as I have experienced those over the past 4 years when I was Minister for Foreign Trade for the Netherlands - European perspective
- In 2005 at this Forum - 2 years ago - we had a fierce discussion on the benefits and on the downsides of globalization. Last year we talked about how we all need to play by the rules in order to make globalization work. Whether it is about child labour or intellectual property rights; or by being committed to make open markets work and import Chinese textiles into the EU.

1. Globalisation is here to stay

Globalisation will not go away when you close your eyes (my 3 year-old might think that when she closes her eyes, the monsters can also not see her ... but hey - we grown-ups know better ..) Globalisation will not stop to happen when you build a wall around your country - it is here, and it is here to stay

2. And even more, globalization will take place at an ever increasing pace, an ever more intense interaction and an ever more unclear direction.

10 years from now, the world will be more Chinese. I don't know what that means, but I do know that it will happen.

In short: the first 2 insights say: It is better to be part of the change, to shape the change, to benefit from change, than to have the change overwhelm you - tomorrow or 5 years from now (when you open your eyes again - and it turns out nobody speaks French anymore, but. .. Chinese)

3. The question is not: is globalization a force for the good or for the bad? Does globalization bring glorious benefits or merely grim downsides?

No - the question is: how do we position ourselves, our companies, our countries in such a way that we make the best of globalization? That we reap the benefits and cushion the blow of the downsides. That we shape globalization in such a way that it is a sustainable development.

4. We all know - or should now - that economically, globalization is not a zero-sum-game. The total gain IS positive, but what worries us, is the distribution of gain and loss between winners and losers. Insight 4: we need social cohesion and DRAAGVLAK, through redistribution of gains and losses in order to make globalization sustainable

So for the upside: how do position ourselves in Europe to

- Sell Lacoste shirts to growing Indian middle class
- Welcome - once again - more Chinese tourists to Amsterdam than we have hotel rooms to sell them; maybe also because they request rooms for smokers
- Bring Dutch water knowledge to Africa sewage challenges and New Orleans' rebuilding?
- Become the most sought after creative class city?

That's all relatively easy ... - and probably fun to do ...

Here comes the hard part

- Imagine a new HQs in Amsterdam. We win 200 new jobs, architects, cleaning ladies, etc.

Do those 200 jobs balance out against losing 200 manufacturing jobs in a small town in the south of Holland - from the sole employer in the region?

No, just try to retrain, replace, remotivate 200 low skilled workers, with the same background, in the same sector, in the same town ... It is hard.

- [[It can be done by the way. Ten Cate Textiles in the East of the Netherlands moved from a traditional producer of garments to an innovative upmarket high tech materials supplier.]]
 - So, yes, innovate production processes; retrain people, preferably on-the-job; diversify regional economies; upgrade our investment climate; work harder.
 - But the real answer is DRAAGVLAK. The willingness of those 200 job winners in Amsterdam, or Paris, to share their gains with their fellow country men, e.g. to invest in other people's education and jobtraining. DRAAGVLAK between population groups, generations, regions, sectors.
 - So it is the responsibility of governments to ensure the gains and losses of globalization are distributed fairly equitable.
5. But globalization is much more than just an economic phenomena. We used to talk about "jobs being exported to cheap labour markets" - which was already a thrilling understatement of what was happening in upcoming economies - , but our uneasiness is not just about jobs
- Globalisation is a social venture of which the outcome is unclear and uncertain
 - [[it will be more Chinese
 - it will have a new upper class, highly educated and highly mobile; the ticket to which consists of education and an entrepreneurial spirit
 - & global fashion (ever been in a Shanghai shopping mall, thinking you are lost on Denver Airport?)]]
 - It is an unprecedented intertwining of cultures - or a clash of civilizations; an intertwining might spur new ideas and innovation; a clash is looming about the

separation between church and state, or the role of women. Do my girls have to veil up 20 years from now?

- It is the great adventure for every entrepreneur - also those who aspire a criminal career. And sadly, terrorism is one of its fastest growing export products
- It spurs and accelerates immigration - both of that new upper class and of the masses of people on the move seeking a better future in another country - by foot or by agile boats
- It enlarges environmental disasters easily to world scale - how many more coal energy production plants can this world afford to build? But it also spreads the words of Al Gore ...
- It makes it possible for shareholders from all over the world to bid for one of the oldest banks in the Netherlands, causing enormous uncertainty in the Netherlands and the feeling that I can't shake - so do they care about jobs in my country?

And it is all of this that makes us uneasy. These are the public concerns about globalization. Much more than "they are stealing my job" it is the feeling of unpredictability, and of disasters to come, and of a loss of one's own identity. That creates our uneasiness, our feeling deep down of wanting to build a wall around our country, our homes. That creates protectionism, nationalism, a fear of the unknown and a distrust of people who speak a different language, practice a different religion or simply have a different skin colour.

So the world will become more Chinese ... or more Muslim ... or a bit of both, and something else. And then - who am I? Who will my children be? Will my children have a better future than me?

Probably for the first time in generations, that people in Western countries have the unshakeable feeling that even if they work harder, are more innovative, more entrepreneurial, their children might not have a better future than they. Even more, their children might raise their children in a world that is culturally totally different from the one we know today.

And that is a very bleak future that people fear. But as leaders in the world we have to understand what people are feeling and fearing. And guide them through the storm that globalization is.

So we have to do three things

1. As always, but stronger and faster than before, - please - make Europe competitive again
2. Give people back their identity; their proudness of their region, their cultural heritage; their feeling of belonging. Cherish our European values. Without endorsing protectionism or unilateralism. From a position of self confidence, of knowing where your roots are, it is easier to adapt, to respond, to change than from the feeling of being cornered and not having your future in your own hands

3. Make globalization a force for the good. Remember: globalization is here to stay, so we better make the best of it. And we together are in a position to help shape globalization:

through dialogue, trying to understand different cultures;

through guiding our own populations, by understanding their fears, not feeding them.

and by making a difference. Lets be serious about CO² reduction and combating hunger

Ladies & Gentlemen, the fear for the unknown can paralyze us; induce us to close our eyes. But the unknown will happen - faster and far more different than we can imagine today. We should not ignore those fears; nor feed them; but turn them into positive energy to help shape globalization in a way that we can deal with it.