

THE ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM – 2009

4–6 JUNE 2009, ST. PETERSBURG

PROSPECTS FOR THE EVOLUTION OF POLITICAL SYSTEMS

Moderator:

Alexander Rahr, Director of Russia/Eurasia Center of the German Council for Foreign Relations

Panellists:

Tarja Halonen, President of Finland

Gerhard Schroder, Former Chancellor of Germany

Junichiro Koizumi, 69th Prime Minister of Japan

Bill Schneider, Senior Political Analyst CNN

Giulietto Chiesa, Journalist, member of the European Parliament

Dr. Christian Ketels, Professor Institute for Strategy and Competitiveness, Harvard Business School

Leo Panitch, Professor, political sciences York University, Toronto, Ontario

Towards a political consensus. Alexander Rahr, Director of Russia/Eurasia Center of the German Council for Foreign Relations, in his introduction to the session, highlighted the potential for political crises as a consequence of rising unemployment and possible state bankruptcies. In his view, the political structure could change completely, with a growing role for the Asian economic model and an uncertain future for the World Trade Organisation. Former prime minister of Japan, Junichiro Koizumi, highlighted the increased value of cooperation between Russia and Japan (and Asia as a whole) going forward, due to their complimentary economic models. He expects resource countries to become wealthier and G8 and G20 member states to resolve their issues with Asia.

According to Bill Schneider, Senior Political Analyst, CNN, the US is no longer superpowerful, following a fantasy decade. President Barack Obama is set to promote human rights as a key US value, turning away from the creation of democracy by force and rebranding the US as a country keen to listen and respect others. Finland's President Tarja Halonen, supported this point, and highlighted the increased role of public and private cooperation during the crisis, and the likelihood of social instability due to rising unemployment. According to Halonen, the world should pay more attention to democracy, healthcare and poverty reduction, and rely on education

as a key source of competitiveness. She raised the question of climate change, and noted that it should be solved by 2020.

The G8 and G20 have started to lose their power, and a wider range of countries should be involved in global decision-making, according to Giulietto Chiesa, a journalist and Member of the European Parliament, with fundamental decisions no longer being made in Washington. Leo Panitch, Professor of political sciences at York University, Toronto, raised the question of strengthening the social rationale for government decisions.

Christian Ketels, professor at Harvard Business School's Institute for Strategy and Competitiveness, highlighted that financing will no longer be the market driver, as the market attempts to stick to fundamentals. According to Ketels, the role of government in the world is increasing, but the quality of government remains its weakness.

During the subsequent Q&A session, Junichiro Koizumi voiced his opinion that Japan would be keen to cooperate with the EU in many ways, possibly as an observer country. President Halonen said the euro is the right way to support discussions within the EU, and that the Eurozone is not only a business network but a social network, with major democratic importance. Session participants agreed that President Obama will not seek to solve problems with military force, but rather look for multilateral solutions to issues surrounding North Korea and Iran.