



The Global Foundation

Together, we strive for the global common good



**'State of the World'
Roundtable**

STATE OF THE WORLD ROUNDTABLE

20 February 2023

*'Navigating the unknown, together,
towards peaceful, global co-existence'*



REPORT

OF THE MEETING

The Global Foundation convened its 2023 State of the World roundtable on Monday 20 February. The session was conducted according to the Chatham House rule.

The Chairman of the Board of the Global Foundation, Ms Louise Watson, welcomed participants and opened the roundtable, which was in turn moderated by Secretary General, Mr Steve Howard.

A global cross-section of distinguished speakers from diverse backgrounds, in business and investment, international organisations, central banks, academia, trade unions, faiths and civil society, contributed in person in Sydney and online, from elsewhere in Australia, also from China, France, India, Indonesia, Italy and the UK.

The Program and Bios of the distinguished speakers, along with background papers and presentation materials, may be found [here](#).

The Global Foundation extends its thanks to the following members and supporters for their exceptional contributions to the success of the State of the World Roundtable: Dr Philip Lowe, Governor of the Reserve Bank of Australia; Mr Tim Gordon, Partner and colleagues, Gilbert + Tobin; Ms Kate Burke, Managing Partner, Pragma Partners; and Mr Marc Eames, Partner, Bain & Co.

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SQUITCHY LANE



A MIXTURE OF PESSIMISM AND OPTIMISM

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*The pandemic was a dress rehearsal
for the coming decade*

In summary, the roundtable painted a deeply concerning picture of the current and trending global situation. However, it also offered avenues for optimism and ways forward. In fact, there was a remarkable degree of coherence in the views expressed and the intention to mobilise and act together.

The roundtable echoed the sentiments expressed at previous *State of the World* roundtables, in 2021 and 2022, about the need for more effective international collaboration in shaping grand themes: the world economy, re-making globalisation and reforming finance to save the global climate.

The notion of 'business as usual' and short-termism is no longer adequate.

Agreement needs to be forged around the long-term principles – for a world that is transformative, fair and inclusive as well as prosperous, that would underpin and help to define a common human destiny.

Balancing the needs of all stakeholders, for 'win-win' outcomes, is a central challenge.

In addition, there was a renewed call for agreed metrics, including the UN's Sustainable Development Goals, that can help to shape policy and measure progress along the way.

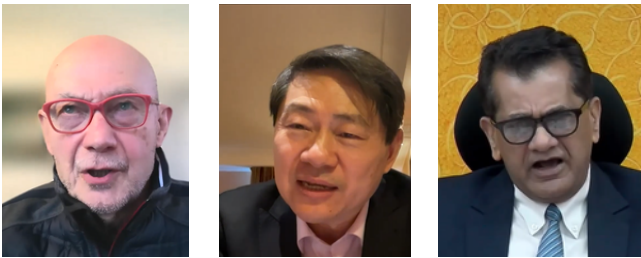


THE WORLD ECONOMY

The session was opened with a presentation from Bain & Co. A copy of the slides is available [here](#).

Our living memory is one of relative peace and prosperity. If a longer view is taken, then economic and other shocks are historically the norm, however economic systems today are not designed to adequately anticipate and absorb major disruptions.

Instead of treating such shocks as exceptional, they need to be normalised. Inflation will be much more variable and societies are having trouble coming to terms with this.



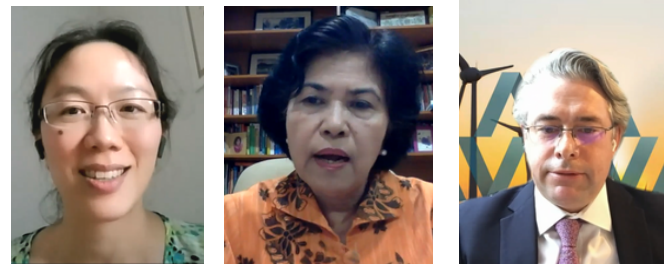
The global labour force growth engine is slowing. Additionally, automation and artificial intelligence will over-solve the labour shortage, introducing widespread dis-employment in coming decades. In contrast however, unemployment in Australia today, for example, is the lowest it has been in 50 years.

Both governments and wider societies are attuned to short-termism, so appetite for longer-term strategies is limited. Yet, so many sections of society, including mining and insurance industries, need longer-range certainty, particularly if they are to play leading roles in servicing circular economies of the future.

This, coupled with a breakdown in trust and the redundancy of the familiar world order, means that the role of independent institutions is more important than ever, even at the same time as they are under external pressures.

Protectionist policies and subsidies are growing and will negatively affect global trade and productivity, also increasing the vulnerability of global economic systems and driving uncertainty, while increasing the cost of decarbonisation. More than 75 developing countries are suffering from a debt crisis.

India's leadership of the G20 in 2023 will maintain focus on advocating for developing countries' interests in the Global South, through the theme: 'One earth, one family, one future'.



Developing nations are struggling to access cheap, abundant energy, and this challenge should be taken on as a global responsibility as part of a just transition. More open trade, through restoring the role of the WTO and progressing digital transformations will help to empower people and lift populations above the poverty line.

The understanding of the impacts of climate change are evolving, placing community resilience in the spotlight, for example, the risk associated with floods, storms and droughts.

As a consequence, infrastructure investments will need to be adjusted accordingly, along with acknowledgement that 'stronger communities will lead to better economic outcomes'.



RE-MAKING GLOBALISATION

“Global governance needs to be less hegemonic and more inclusive

In the current world order, geo-politics is increasingly trumping geo-economics, putting globalisation at risk. Geo-political tensions are escalating between East and West (China/US) and environmental and economic tensions are mounting between North and South, with the Russia and Ukraine conflict representing a cross-section of both.

An increase in Hobbesian States, focused on external threats, needs to be countered with Kantian co-operative attitudes. New software (collaborative platforms and purpose-led coalitions involving multiple actors) and hardware (systemic changes to improve global governance) are needed. Is it possible to promote 'universalism' as a new alternative to 'multilateralism'?

This may be a year when it is possible to achieve some better forms of alignment, through the G20, G7, APEC and other renewed machinery of governments. At the same time, the Bretton Woods system needs upgrading, not dismantling, as is occurring at present.

A more equitable United National Security Council, representing emerging powers, could revise the use of veto rights and become more effective at dealing with crises. A new international system of treaties, and declarations of universalism and interdependence, are called for.

Conflict can happen on many levels: physical, economic, cultural. Identifying common values is key to minimising conflict: acknowledging that many values, like the key nutrients of life, are common across all cultures, though our favourite recipes and dishes across the world are diverse and different.

The upcoming 'Dialogue of Civilisations', to be convened at the Vatican this June, at which China will be a key contributor, alongside the Vatican's own views about a sustainable human future, was endorsed as an exemplar of the new forms of collaboration that will be required.

“Is it possible to promote 'universalism' as a new alternative to 'multilateralism'?”



RE-MAKING FINANCE TO SAVE THE CLIMATE

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*We have the opportunity
to rewrite Bretton Woods*

Despite the positive efforts of the United Nations Framework Convention on Climate Change, the world is not achieving a just transition quickly enough. The insurance industry will collapse at a global temperature rise of three degrees. This industry, whose core business is in modelling the future, knows that we are at red alert and that an urgent change in financial architecture is needed. The market cannot be relied upon to bail us out and we need to act now.

The 'Polycrisis' of today will become a 'Permaccrisis' if we fail to learn historical lessons. Solutions are still siloed, and integrated solutions are needed to deal with debt and long-term investment. Supply chain solutions shouldn't be 'dehumanised' – we need to actively lean into the 'Just' part of the 'Just Transition', ensuring that solutions don't worsen inequality.

A strategic review of the global financial architecture (as outlined in the [*Assisi Accord*](#)) could be carried out by the G20 Sustainable Finance Working Group.

Changes to this architecture will likely favour carbon pricing, with Indonesia's G20 in 2022 recommending initiatives to help countries move in this direction.

Climate finance needs to move to the next level, which is possible within the right financial framework. Investable funds are available, and can be redirected for good, supporting initiatives such as the creation of climate-aware investment plans and platforms for shared intellectual property.



CLOSING REMARKS AND FOLLOW-ON ACTIONS

A number of the speakers and other participants were given the opportunity to make brief closing remarks.

The overarching narrative was one of optimism, a strong sense that it would be possible, with concerted effort and sufficient goodwill, to create the kind of positive coalitions deemed necessary to confront and facilitate the big systemic changes needed for the re-making of globalisation and the wider spirit of global co-operation.

The Global Foundation itself was encouraged to continue to play its vital convening and facilitation role and in turn, to identify and stimulate those within its network to lead on some of the major issues that were addressed.

The continuing leadership role of Aviva Investors in marshalling support for reform of the international financial system, including the next iteration of the **Assisi Accord**, was acknowledged to encourage climate finance to be mobilised, in a similar manner.

The Foundation announced plans for a global meeting in China, to focus on re-making globalisation and for a roundtable meeting in partnership with the Pontifical Academy of Social Sciences that will address a *Dialogue of Civilisations around the Sustainable Development Goals*, in the first half of 2023.

Further global missions for 2023 were also mooted.

A closing reminder to all in moving forward was to ensure to seek out and listen to those voices not being heard and not in the room.

 **[Program, Participants & Speaker Bios](#)**

 **[Background reading](#)**

 **[Gallery](#)**

