

World Policy Conference

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Il SaKong

Chairman of the Institute for Global Economics, former Chairman of the Presidential Committee for the G20 Summit, former Minister of Finance of the Republic of Korea

We live in an economically highly interconnected world. Therefore, any global challenge will have to be dealt through global community level policy coordination and cooperation endeavours. So, my first point is that the most serious problem for the global community in the next five years seems to be, "global leadership gap" or "global leadership deficit" caused by the withdrawal of the US global leadership, while no other country or a group of countries tries to fill the gap. Consequently, the global economy for the next five years may suffer from "Kindleberger trap-like risks" created by insufficient provision of global public goods, most importantly free trade environment and financial stability. [...] More specifically, there is a high likelihood of financial crises, big or small, to occur especially in emerging economies and usual policy-induced recessions may be inevitable in advanced economies when there is not enough monetary and fiscal policy maneuvering space for most of these countries. [...] The G20 countries agreed in 2009 to designate the G20 summit as their premier forum for their international cooperation for a balanced and sustained global growth. It is therefore urgent for the G20 countries to join forces to resuscitate the G20 summit process to fill the global leadership gap and adequately face the global economic challenges of the next five years.

