

# Berlin Model United Nations 2023

Keynote Address by former Federal President Horst Köhler

John F. Kennedy School

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Dear participants in *Berlin Model United Nations 2023*,

Ladies and gentlemen,

Your conference is being held under the heading “Sustainable Development in a Capitalist World.” The title brings several questions to mind:

- What exactly is sustainable development? Does this describe a utopia, a distant future goal, or a path on which we can embark today?
- And what exactly is “a capitalist world”? Is it pointing to a state of affairs, or is it a criticism of current economic and social circumstances?
- And, finally, can – and if yes, *how* can – the two go together?

In the time that I’ve been given, I will not attempt to fully answer these questions. But I do hope, in at least two respects, to give you some food for thought for your discussions, first by describing the challenges the world and the global economy is currently facing, and second by pointing out what I believe is an approach that can resolve the two issues I’ve mentioned.

## I. Challenges

So where do we stand? The current geopolitical situation is characterized by various crises that we are experiencing in parallel and that are having a substantial impact on the global economy:

- Economic development is still hampered by the consequences of the COVID-19 pandemic, which created substantial supply chain bottlenecks and logistical problems all around the world.
- The Russian war of aggression against Ukraine caused a sharp increase in energy prices, especially in those countries in the West that were particularly dependent on oil and gas imports from Russia.
- And it is hard to currently gauge the impact of Israel’s fight against the Hamas terrorists that began on October 7, 2023. Should this war spread throughout the region, this could disrupt furthermore the global economy.

This all bears risks for trade and the division of labor throughout the world and further complicates the battle against poverty – in particular in Africa. Politically, in many countries nationalists are on the rise who are offering simple answers to complex questions and pushing for “decoupling.”

But what are the facts? Economic data actually prove that globalization has brought enormous progress to the world. Let me give you three examples:

- In his book *The Great Escape* (2013), the Nobel laureate Angus Deaton has described how the international exchange of medical findings and medication has decisively contributed to a greater rise in global life expectancy over the past fifty years than compared to the entire past millennium.
- In China, thanks to the country's inclusion in international economic and trade activity, more than half a billion people could be lifted out of extreme poverty,
- and the Federal Republic of Germany's economic miracle after World War II would have been unthinkable without globally open markets.

So has globalization been only a blessing? – No, surely not. One must recognize that not all people have benefited equally from globalization. Africa's natural resources are – to this day – being exploited mainly for the creation of wealth outside the continent. While global inequality, especially between the West and Asia, has decreased, inequality has risen within many countries – including in industrialized countries. Those reaping the greatest rewards from globalization have been the superrich: The current Global Wealth Report published by the insurance company Allianz shows “that the richest 10% of the world's population [...] together own 85% of total net financial assets in 2022.” – In view of these numbers, it is necessary to focus on a fairer distribution of prosperity. In future, this issue must receive more global attention.

A critical eye must also be cast on globalization when it comes to its ecological consequences. The economic models of both capitalist and – to an even greater extent – socialist systems still externalize too many of their environmental costs. The market is failing when people and corporations do not need to pay for the damage they cause. In many ecosystems, we are therefore undeniably approaching dangerous tipping points – which, once they have been passed, can lead to abrupt and irreversible changes in our Earth system.

The following is clear: planet Earth has its limits. And yet, our rapidly growing global population continues to use all types of resources at a pace far beyond the rate at which they can be naturally replenished. With regard to fossil fuels, we also face the difficulty that we must not use all of the existing reserves if we want to limit CO<sub>2</sub> emissions and thereby slow the rate of global warming.

We need to ask ourselves: on what ecological basis can global economic growth be generated?

The philosopher Vittorio Hösle, who teaches at Notre Dame University in the state of Indiana in the U.S., has pointed out that better technologies and greater efficiency alone will not be enough to successfully tackle the ecological crisis. The modern Western way of life has reached its limits. For Hösle, it is clear that this way of life cannot become universal. It is not a suitable model for other countries to emulate. And what cannot be a model is also not a valid ethical yardstick. This is why Hösle recommends that rich industrialized countries in particular think about what is sufficient, sound and appropriate – and at the same time meets our needs. – Incidentally, the same argument is made by the Japanese tidying consultant

Marie Kondo when she asks us what material possessions truly bring us joy, and what possessions are actually more of a burden than a luxury.

## II. Developing a social and ecological market economy in response to the current global economic challenges

We need a global economy that leaves no one behind and takes into account climate change and the limits of our planet.

Such a global economy is the ultimate goal of the 2030 Agenda for Sustainable Development of the United Nations and the Paris climate agreement. The 2030 Agenda for Sustainable Development was formally adopted by the heads of state and government of the 193 members of the United Nations in New York in September 2015.

At its core lie the Sustainable Development Goals, a comprehensive package of 17 goals for social, ecological, and economic development that all member states have committed themselves to pursue.

I continue to consider this political agenda, despite of some weaknesses and current shortcomings, to be a useful global political tool for creating peace and progress around the world. This also means that the United Nations as an institution is perhaps more important than ever. It does require urgent reforms, but without the United Nations, the world would become a darker place.

When we look at the situation in Gaza, I was glad to hear that yesterday the UN Security Council adopted the resolution to ask for “urgent and extended humanitarian pauses and corridors”, but I would also like to encourage the United Nations Secretary-General Antonio Guterres to go further and outline a peace plan not only for Gaza, but also for Ukraine - as soon as possible.

In 2012, as a participant in the High-Level Panel on the Post-2015 Development Agenda that then-Secretary-General Ban Ki-moon convened, 26 other members from around the world and I participated in long discussions and exchanges with representatives from civil society, academia and the business community, to help prepare for the 2030 Agenda for Sustainable Development.

It was important to our working group that the Post-2015 Agenda, as we called it back then, would be a *universal* agenda – with goals that are relevant for all countries, whether their economies be developing, emerging or industrialized. We agreed that the fate of the international community in economic, social, and also moral terms is so deeply interwoven that we absolutely needed a paradigm shift to bring our policy-making in line with this reality. Perhaps the most important transformation that the international community needed, in our view, was to develop a new spirit of solidarity and cooperation for the benefit of all. And the foundation for this should be a common understanding of the global common good and global ethics. Making this spirit a political reality is summed up in the term “Global Partnership”.

To me, Global Partnership is more than a distant utopia. Because, despite all of the different views and tensions in the world, there is a basis for a global system of values, for a global ethic. The theologian Hans Küng has already pointed this out as part of his decades-long research on the guiding principles of the world religions. One of these guiding principles is the Golden Rule, which states that you should do unto others as you would want them to do unto you. This rule can be found in all big world religions.

United Nation's 2030 Agenda for Sustainable Development shows the direction for a new great transformation in world history. All over the planet, we need governments and civil societies that think and act in a spirit of global partnership. The Sustainable Development Goals Report that was published in May of this year by the UN Secretary-General shows that the international community must substantially step up its efforts to ensure that the great transformation will take hold and have an impact.

In my view, a market economy that is in line with the principles of freedom and competitiveness, and that rewards those who take risks and put in hard work, is not an obstacle to sustainable development, but rather a part of the solution. What is important in this context is to view the market economy as an organizing principle for economic activity, not as something that prescribes how all areas of people's lives should be organized. You cannot put a price tag on human dignity. Predatory capitalism that shows no mercy for those who do not prevail in the marketplace and that seeks profit at the expense of the common good leads us into a dead end.

The Federal Republic of Germany, which this year is marking its 50th anniversary as a member of the United Nations, is widely renown for its economic order of Social Market Economy that it built after the end of World War II. It ties the principle of a free market (with free competition) to the idea of social equity. When a free market benefits only the strong and brings social injustice, the state has a mission and an obligation to enact regulations to protect the weak. At the same time, the founding fathers of the Social Market Economy always viewed it as an open system that needs to be further developed.

I think it is both time and fully in the spirit of the 2030 Agenda for Sustainable Development to further develop the Social Market Economy into a Social and Ecological Market Economy. In Germany, there is meanwhile broad agreement on this.

It gives me hope to see young people from 74 schools and 25 countries taking part in this year's Berlin Model United Nations. Every single one of you has an opportunity to fill the idea of the United Nations and the UN Charter with life in the 21st century, and to ensure that it remains powerful.

I wish you all the best for your BERMUN 2023 debates, and I hope that you will engage in many interesting and good discussions.