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Karolina Ordon: We now turn to our plenary panel, a discussion on the central theme of our conference: Development in the Age of Populism. Special welcome to our online audience, joining us via live.worldbank.org, as well as everyone participating in the conversation on social media channels using #ABCDE2025. Our distinguished panelists will examine the implications of populism for poverty reduction, explore how governments are balancing short-term political considerations with long-term development objectives, and consider the role that global institutions can and should play in this context. The session will be moderated by Mr. Justin Sandefur, who leads the program on economic growth in low- and middle-income countries at Open Philanthropy. Over to you, please.

Justin Sandefur: Good morning, everybody. Good to be here. We're going to have a discussion here on our theme for the whole conference, Development in the Age of Populism. I want to kick off by welcoming our panelists, in addition to Indermit, who you've already met, who is Chief Economist and Senior Vice President here at the World Bank. We also have with us… why don't you go ahead and come on up to the stage? Rachel and Danny, if you want to come on up. Danny Quah is Li Ka Shing Professor of Economics at the Lee Kuan Yew School at the National University of Singapore. He was a member of the Spence-Stiglitz Commission, former head of the Economics Department at LSE, and a name in my textbook in Graduate Macroeconomics when I was in school, I'm sure for many of us. Rachel Glennerster is the President of the Center for Global Development just down the road, my former boss until a couple of months ago, former Chief Economist at the UK’s FCDO, Professor University of Chicago, and the Executive Director of J-PAL at MIT. We are here, as I said, to discuss populism. Before we start in, one of the immediate pushbacks I got when discussing this panel with people is that populism is circular. In development, we say populism is whatever is hindering development, and a lack of development is what leads to populism. Just to put a definition from political scientists on the table which the panelists can agree or disagree with, political scientist, Cass Moody says, “populism is an ideology that pits the pure people versus the corrupt elite or establishment”. I'm afraid to say, I think, standing here in the World Bank, we represent that economic establishment to some degree. Economists have spent many years studying populism in the 1990s, Dornbusch and Edwards, studying left populism in Latin America and the lack of fiscal constraints, and more recently, the rise of right-wing populism, leading to decaying of institutions, protectionism, and declining trade. Today we're going to focus on two big questions. The first half, I want to ask the panelists about what explains the rise of populism, and in the second half, what are we going to do about it as development professionals? Let's kick into that first half about what explains the rise of populism. I want to start with Danny, with you. The paper I just mentioned, recent research shows that in 2018, we reached peak populism, more populist leaders in the world than at any other point by the measure of a recent AER paper. Give us your explanation for why that's true. Economists focus on economic grievance, and maybe as somebody who studied the rise of Asia, you can talk to us about the role of Asian growth and globalization as a factor here in the West.

Danny Quah: Thank you, Justin, for kicking us off. Thank you all for sharing your morning and your time with us, if you're coming in online. What was really striking in the graph that you showed was that populism, doesn't matter whether it's right wing or left wing, it has reached a peak. If we don't fall into the labels, right or left, but we simply think about what it is, it is anger. It is a world that is angry. And it is angry for perhaps different reasons or perhaps for underlying economic reasons. Justin is an economist, many of us are. Our natural inclination is to go to economics as a way to think about why there is this anger. And indeed, there's reason to think about why this anger has emerged despite what on aggregate seems to be well-performing economies. The aggregate numbers all look good. Growth is high, income's high. Aggregate numbers on average on literacy, on infant mortality, on average, all look pretty good. But what that average does not reveal is a lived experience that is different across different groups of people. The challenge that you put is, does economics alone give us a way to think about why there is anger from so many different segments of the population? Let me suggest the answer is yes, but also no. That there are reasons to think that the aggregate performance is not what we think it is, but there are also reasons to think why additional factors kick in. A prime suspect for almost everyone in this room, given the way the world has gone with great power rivalry, with nations pulling the thread on a rules-based multilateral order, is that geopolitics has kicked in. And geopolitics, for so many of us, is something that defies economic thinking. In fact, for many of us, geopolitics is the dust bin of bad economics. It is what we go to when we can't explain something that's happening economically. Let me end this first set of answers by saying that we're now in a situation where economics and geopolitics have become collinear in making the world an angry place. The economics side of this comes from understanding that a globalized world with trade is one where relative prices are disrupted. A change in relative prices, even when it is along the way to making comparative advantage outcomes emerge, a change in relative prices is always disruptive to someone. In many countries, trade, growth, results in a change in relative prices that disadvantages the poor. When we see that, we think trade or growth results in inequality. Inequality reduces social immobility, and it makes people angry. But actually, as long as trade disrupts relative prices, someone somewhere is going to see this advantage. And so rich people, if prices move against them, will also find cause to be angry, and whether it's trade or growth that's disrupting their livelihoods. This has now become collinear. This anger at economics has grown collinear with an evolution of geopolitics that has drawn sharp lines between different parts of the world. It used to be that America accused the rising large nations of being revisionists, of seeking to undermine the international economic order. America is the one now seeking to revise the international economic order through its actions. That dissatisfaction with the world sits well with a view that the rules-based multilateral order, which had historically been criticized by the emerging economies, now seems to have turned against rich countries. Economics and geopolitics have become collinear. It's made a lot of the world angry. And unless we're able to unpack and fix this anger that has emerged from trade, growth, the frayed multilateral system, we will continue to suffer this rising anger that's shown up in populism. That rising anger will continue to disrupt economic performance. We're in for a rough ride. That would be my beginning.

Justin Sandefur: Excellent. Let's see if we can explore where that anger comes from a little bit more. Rachel, let me turn to you. You lead a think tank based here in DC and in London that advocates many times for more aid, better aid, more immigration, things that are not exactly hot on the policy ticket today. Have we in the development community gotten things wrong? Have we done things that we should be rethinking at this stage in terms of that development agenda?

Rachel Glennerster: Thanks for the opportunity to talk about this. Yes, I think we've done some things that have made things worse. I think if we look back to what Massoud described these golden years of the 1990s when I was starting out in development and you saw development budgets rise and you saw very broad popular support for aid across the political spectrum versus now, I think we really, as a development community, have to do some serious soul searching about why we've seen such a big turnaround. And some of it is as a result of a more general response of anti-globalization. But I think there are things that we, as a community, did wrong, which I want to talk about. First of all, those who supported aid on the left and the right used to work together very closely to push for things like debt relief and higher aid budgets. People forget that it was the right in the US that was the most important in pushing through the big increase in aid, for example. And, we no longer work together, these two groups no longer work together. I think part of the reason for that is the two groups are very uncomfortable about the language used by the others. We need to get over that, and we need to start building coalitions again. Second, as development experts, we pushed the non-experts away. We said, “development is far too complicated for you to understand, leave it to the experts and don't bother your little heads about it”. That is not a way to bring the median voter with you. For example, we used to have simple, transparent goals that the general population could get behind. Now we have mind-numbingly complicated goals that it's difficult to explain. We have far too complicated programs to be… I’ve sat with ministers going through lists of programs, thousands of programs, and any one of which would take me 20 minutes to explain what it actually did. This is not a good way to communicate what you're doing. When I was working with politicians in FCDO, they would ask me for simple metrics to get up in Parliament and make the case for aid. But as civil servants, we pushed back and said, “no, we don't want to give you the cost per ton of carbon or the cost for getting an extra child in school. We don't want to reduce things to these simple targets”. But in doing so, we really undermined our case. And increasingly, I think that we need to radically simplify the way we do aid. And that would help us not only in making the case for aid, but I think it would actually lead to better aid, more effective results for the poor in countries. Why would that be? If we picked a few things that each agency specialized in and did radically simpler programs, we could spend more money on the most effective interventions. We would get the benefits of economies of scale, which we know there's plenty of evidence that economies of scale are really important. The percent of money going to low and middle income country beneficiaries would go up a lot, we would spend a lot less money on expensive consultants, procurement and evaluation would be much easier, and, coming back to the point of making the case, we could explain what we were doing. Now, there are many bureaucratic reasons for why we end up with very complicated programs. I won't go into them now, but I think we actually can do something to simplify, to change the incentives in bureaucracies so that we end up with simple programs. It would also help countries that we work with, because at the moment, every bit of government in a low and middle income country has to deal with 20 different donors, all of whom bring some tiny amount of money to the table, in that one area, whereas if everyone specialized, it would make their life a lot easier.

Justin Sandefur: Excellent. Okay, I want to come back a little later to what donors should be doing differently. But I want to go to Indermit on the bank's client countries. Danny talked about changes in relative prices and the anger that brings. For many of the bank's clients, the heyday of globalization was also the heyday of massive poverty reduction. And yet even in India and Indonesia, many other big bank clients see a surge of populism. How do we explain the anger in the middle-income countries that have been your specialty over the years?

Indermit Gill: Yeah, good questions. I was struck by what Masood said, and I think he has it right. If you look at how people are reacting to all of this stuff, the first one is that most policymakers in emerging markets and developing economies have moved on from this current crisis. They say that what comes next should not start from where we are right now, we should start afresh. I think that tells you something in the sense that this was a system that they didn't think was working particularly for them. It doesn't require tinkering, it requires radical change. The second one, he said, was that programs want a more national development than global public goods. I'm putting words in his mouth, I think. But basically, that there could be things that you have to do which are international in nature, but they're not global public in nature. They are international and, quote, unquote, private in nature. Then the last one he said was that because the drivers of progress would be national, not international, they want good practice, not prescription. Because prescription means that if you go along with what external actors are saying, it could be wrong, but, because you'll benefit from other things that are happening globally, you might end up being the net beneficiary anyway. That's not the case anymore. I think there are clues there. If I had to tell you about what I'm going to say tomorrow, I actually think that it's a combination of rather than pointing fingers at the bilaterals or the others, suppose that we look in a mirror and say, what did we do right or do wrong? I think if you look at the Bretton Woods institutions, and I include the WTO as part of that, one is definitely the failure to modernize. We tended to hang on to old rules, old structures and so on. I think the WTO is a classic case of this. The second one, I think, is a failure to moderate. If you're not a populist, you are, generally speaking, you think like an elite. If you're elitist and not a moderate, I think that one major advantage is gone. Then what happens is that…So, elites, when they become non-moderate, they tend to become very hypocritical, they say one thing and they do another. I think that the World Bank, over the last few years, was very, very hypocritical about climate, for example, especially that. Then I think the third one has to do with just being honest. I think that people smell corruption. Just like they smell hypocrisy, they smell corruption very, very quickly. I believe that some of the institutions became corrupt. I mean, in the sense that we were manipulating data. We were doing things to help the rich while we didn't particularly care about taxpayers in poor countries and so on. This is not a recipe for success. It is a recipe for asking for a gutting of the current structures and so on. I think that's the reason why I don't particularly think of populism as a bad thing. I used to think like that, but then I went and actually did some independent thinking when I was at Duke University, Justin. There's no independent thinking that goes on in this building. I came back with these thoughts. Yeah, there you go.

Justin Sandefur: Excellent. Your words, not mine. We were talking broadly about explaining populism and the rise of populism, but we veered a little bit into the second question, broad set of questions, which is how should development policy respond to populism? I'll switch up the order here and start with you, Rachel. I think your answer in particular veered into, you talked about this radical simplification agenda on the aid side. CGD works on trade, works on migration. Do you have a similar answer there? What do development actors do in the age of populism to sell migration as a development tool, for instance?

Rachel Glennerster: Okay, big question. I think at one level, demography is going to put huge pressure on high-income countries to let in more migrants. I do think this is one area where there's going to have to some change, just the economics of it is going to push for some change. But in the meantime… that may take some time. In the meantime, one specific thing that's been quite effective is to take specific skills that people know that there's a shortage of and say, “let's give an exemption for this particular skill”. It's much easier to make the case for that. My colleagues at CGD have done a lot of work on this, but I also saw it post-Brexit when actually immigration to the UK went up. Why? Because they kept giving exemptions to specific skills that everyone agreed on and actually you ended up with more migration. That's one thing you can do. But the other thing for low- and middle-income countries is there's a lot that they can do to get the benefits of migration, which we know are huge, even if you've got blocked routes to high income countries. Well, first of all, there's a lot of migration between low- and middle-income countries. Let's work to integrate those people who are already flowing across borders in low- and middle-income countries. The World Bank has a refugee window, which I think is extremely important because when we talk about the different priorities of donors versus countries, one of the priorities is, local countries may not put as much priority on refugees. But there are huge benefits to compacts with countries where the posting country allows refugees to work, for children to go to the local education system, and there's a chance for a deal there. We did this with Jordan. You let refugees work; you let their children go to local countries. It costs about half as much to host a refugee if you allow this integration and allow them to work. I really encourage the World Bank Refugee window to focus much more rather than just giving support, to really push for policy reform to integrate refugees into the local economy. Finally, there's a lot that can be done to ease migration within a country. We see big benefits for people who migrate just within who, again, we see work from CGD, you tell people about the benefits of working in Nairobi, and you get a 9% increase in wages. There's a lot that countries can do even if that route to high-income countries is blocked.

Justin Sandefur: Great. That's reassuring to hear a positive vision for a migration agenda. This is still from a high-income country perspective. I want to go back, maybe turn to you, Danny, for a take on international cooperation in the populist era. This is maybe bleeding in a little bit of what you're going to say in the next hour. But one proposal you read about is that international governance can move on without the populists, we can have a coalition of the willing, the WTO can do alternative dispute measures, the WHO can still do the pandemic treaty. Is that the model that you see as viable going forward, or where do you see it going?

Danny Quah: Thank you for turning the question to this now, which is much more forward-looking. Listening to what Indemit and Rachel have said and seeing how developments have unfolded in the real world over the last three months or so, I'm much more optimistic now that we can build a system going forward that looks in a way like a constrained or restricted or pathfinder multilateralism. Not the full-blown multilateralism that the world has enjoyed these past eight decades, because the major player in architecturing and supporting that rules-based multilateral order has now decided not to be part of it, not in the same way. So, I think about three things we need to clear in terms of building this new system that you imagine they are forcing me to think about. The first is, is it physically possible to build an international system that's a new world order that looks in some ways like the old-world order minus one? where the one, obviously, is the United States. Now, the United States today, in terms of this feasibility issue, the United States today imports 11% of what the world exports. That, incidentally, is about the same ratio as what the United States imports from China in terms of what China exports altogether. China is a representative country in dealing with the United States. Some states in the world export more to the US, some less. But the fact of the matter is, the world trades eight times more with itself outside the United States than it does with the US. On that sheer arithmetic alone, it will be painful to try and build a multilateral world order without the US in it. But it's not existential. We can do it. Moreover, we might not have a choice if the United States continues on this trajectory of grievance against how the rest of the world trades with the United States. So we might have to do it. It will be painful, but we can do it. Now, there are two sides to this. There's the United States, and then there's the rest of the world. Even if the rest of the world continues to believe in the principles of free trade, economic exchange, comparative advantage, we have just been the first part of this panel talking about how angry the world is. The world is angry, it is populace because segments of society are angry at the elites within that society, that's what populism is. Nations are angry at other nations because they feel that the system has disadvantaged them. From what we said earlier, it actually doesn't matter whether you're a rich country or a poor country. You have a grievance against the rest of the world. Going forward, if we are going to build this system, Justin, that you're asking me to think about, even if we put the United States aside, we've got to figure out how the rest of the world comes together in what, as you say, the FT describes as a coalition of the willing. We have to work hard at that. We have to figure out that disrupted price vectors will make some people angry within our societies. We've got to manage trade and globalization, even if it's restricted, better than we have in the last 80 years. We cannot any longer allow the statement that within an economy, free markets will figure out labor allocation. We've got to take seriously that within countries, labor markets don't adjust instantaneously. Going forward, the world is not, even without the United States, the world is not about to burst out in an orgy of love and mutual collaboration. We've got to figure out systems so that we can, not appease, but take care of the people within each of our societies, and then still be able to tell the good narrative about comparative advantage and free trade. I think we can do that. A lot of the world out there continues to believe, especially in the global south, they've come round to the view that free trade and competitive advantage is actually a good thing. Development is about strengthening the supply side of each of our economies. That works only if there's a demand side, a globalized trading system that picks up what we produce. The developing world understands this, the United States no longer sees the wisdom in this. I think that we ought to be able to build that, but we've got to build it by recognizing, got to do it without the United States unless it normalizes and becomes a regular country again. And we have to make the rest of the world understand why it's still a good thing for the rest of us.

Justin Sandefur: Let's have a last intervention from Indermit on that. Then just to get your questions ready, after this I want to go to the floor. But please, Indermit, you're ready to jump in on that.

Indermit Gill: I agree with Danny on so many things, but then occasionally, I disagree vehemently with him about some stuff. I was thinking, why is that the case? Is it because of his Harvard education? Or is it because he lives on an island very far away from here or something, or some combination of the two? Because he's a super smart guy. But the thing is, you said that there is this one country that wants to not be part of the world in a sense, the world economy. During the spring meetings, Danny, I was struck by my conversations with people from around the world. In particular, I was struck by the conversations with people from Europe. At the end of the meeting, because they all came in with this thing about the US wanting to withdraw from the world and so on. But at the end of the meetings, Justin, it was very clear that the part of the world that was withdrawing from the rest was Europe, not America. America does not want to withdraw from the rest of the world. It wants to change its relations, or the way that it relates in terms of aid, in terms of trade, in terms of investment, other things, it wants to change those things. It's not withdrawing. If you think that it's withdrawing, you're in for a nasty surprise. It's not. Or a good surprise, I don't know which. I actually believe that at the end of it, I found that it was the Europeans who were much more passive, much more defensive, not just about America, but also about Asia. They would complain and complain about the Trump administration, about this, about that. Then I would ask them, I would say, “and what are you going to do about it?” They didn't have a clue. Now, after that, I see this new initiative. It's called Europe First. I mean, for God's sake, at least be innovative. Don't just copycat America. I don't know how you can be so wrong about these things. I think we need you to come and spend some time in Washington for a little while and get rid of these really bad ideas.

Justin Sandefur: All right, we'll get a last word, but I'm going to, again, encourage people to come to the mic if you have one round of questions for the panel. But please, Danny, you get a right of response.

Danny Quah: I look forward to sitting at your feet and learning the truth about the world. But let me say it is not Europe that's withdrawn from the Paris Agreement on climate change. It is not Europe that has filed papers to withdraw from the World Health Organization. It is not Europe that's likely to withdraw from the World Trade Organization. It is not Europe that has turned its back on its security partners over the last eight decades, built on a foundation that came out of the Second World War and the Cold War. I think we're going to have a lively debate in the months ahead.

Justin Sandefur: All right, I'm happy to keep asking questions if nobody comes up to the mic, but there we go. As soon as I actually look out. Again, questions briefly, please, and we'll take a round.

Attendee 1: Just two quick questions. The first one is that, how much unlimited information or misinformation is a fundamental factor behind populism? Because this excess of information increases the expectation, and the unmet expectation creates populism. The second question is that, how much populism is challenged to development versus how much it’s an opportunity for development? Thank you.

Justin Sandefur: Great. Next, please.

Attendee 2: Yes, I wanted to ask if maybe AI is in the middle of the disagreements between the two of you both ways, because Europe has suddenly changed in the last three months from doing no AI to being pretty progressive. Meanwhile, I don't know how the world can get on without America's AI sort of thing. I know it's a big subject, but I do think that might be where we're getting muddled.

Justin Sandefur: Ai. Okay, next, please.

Attendee 3: Thank you. I have two questions, if possible. Using the same core periphery language, the first would be about the core and policies that could improve public opinion. I'm a political scientist, I think the idea of race in the foreigner and the core countries that we consider would be important in addressing some of these populist policies that are driven by policymakers. What can countries in the core do about that? So maybe learn from a country like Uganda that has hosted a disproportionate share of refugees and immigrants, but still has maintained pretty good public opinion about them. The second would be about the peripheral so-called countries and encouraging, you know, development community, encouraging collaboration between these countries on trade, infrastructure, education. It's harder to fly between countries in Africa than from Africa to some other continent. And that's, I think, how it reflects this cooperation. So how can this community do that? Thank you.

Justin Sandefur: Great. So, a self-cooperation question. Please.

Attendee 4: Thank you. My question is about…It's a top-down analysis, but at the same time, what bottoms up one word, youth, and maybe two words, youth opportunities. If there's anger, lack of opportunity, lack of innovation related because of no availability. So that is a point where… what is the youth opportunity that may be fueling the anger and we will be analyzing it as a statistical aggregate of left, right, or states or institutions? Thank you.

Justin Sandefur: Thank you.

Attendee 5: Rachel, you mentioned how we push non-experts from development, and that really stuck with me. I was also surprised by how many Americans applauded the USAID decision. So it feels like we fail to make development understandable and relatable and relevant for the people, and the people want to help. Look, for example, the RED program that Global Fund launch, and how many people wanted to help. So, the question is very simple: how can we build a bridge between what we do and what the people see and understand that we do? You said simplify, but I'm asking for more here. Thank you so much.

Justin Sandefur: Thank you.

Attendee 6: Hello. My question is mostly related to the US's role, particularly within the role of formal international agreements such as **the P**andemic **A**ccord and other non-binding agreements. How can they establish global norms despite the US's implications in withdrawing from all these formal institutions? And is good faith effort still an effective way **for people** to adhere?

Justin Sandefur: Great.

Attendee 7: Hi. I'd like to ask you, Justin, to comment on, in effect, the disagreement between the Intermit and Danny.

Justin Sandefur: You want to refer me?

Attendee 7: Because what I've heard to date until Danny intervened was, **"**there's some problems, there's populism, and it's not exactly our fault, but we've been screwing up terribly. If there's a lot of populism around, it's because we haven't had new ideas, and we just have screwed up**"**. Danny has come along and he said, **"**the world is a pretty uneven place. There are always problems, but it looks like one country has been tearing up stuff that it's been trying to put together for the last eight decades, and we need to find ways to work around that**"**. I wonder, because these are these two big competing themes. Why don't you give a few comments on that?

Justin Sandefur: Request registered. Thank you. Our last question before we go back to the panel.

Attendee 8 – Shreya: Hi, I'm Shreya. I'm from Tamil Nadu, India, and it's quite famous there for political parties to give out freebies before an election. It's very common to see people living in informal settlements but having two TVs, two mid seats, and it's not clearly helping them. But there can also be a lot of policies like the first 300 units of electricity. That's quite helpful for the common people. I want to ask, when can such freebie culture be a populist distortion and when it can be a good redistributive reform? Thank you.

Justin Sandefur: Great, thank you so much. Okay, so the advantage of many questions on the floor is you get to pick and choose the ones that you think you can say something most interesting to you. We don't have time to go through all of them. Let me just go down the row here and start with you, Rachel, for your closing answer.

Rachel Glennerster: On unlimited information and misinformation, I actually think part of why we have populism now is because we are more democratic. There are many attitudes now that have become popular political strategies, which the population has believed in for a long time, but which elites were in charge and they just dismissed. In many ways, I've written a lot about how to increase democracy, I think it's very important, but, I think part of what's going on, for example, trade has always been unpopular. Free trade has always been unpopular. But now we're in a situation where that unpopularity is actually feeding into policy, which means it's far beyond misinformation. I think what can we do about changing people's attitudes towards foreigners…There's a lot of evidence that actually… The contact hypothesis is true. The more people interact with people who are not like them, the more they accept and like them. This is very different to the attitude, that the reason we've got a backlash to migration is because we've had migration. Actually, the evidence is the more that you integrate new groups, the more people accept them. I'm just going to pick up on the pandemic point because this is a big passion of mine. Having worked a lot on vaccine policy during the pandemic, there is a lot that we could do and need to be doing to get ready for the next pandemic because it is not a question of if it happens, but when. And I think the World Bank has a huge amount to do to help countries basically be able to take the strategies that the US and the UK took to accelerate vaccines, but was not open to low- and middle-income countries. There's a lot more I could say about that, but I think actually the Pandemic Accord, and many of the strategies that have been put forward are not actually the answer.

Justin Sandefur: All right, Danny and Indermit, I'm going to have to ask you to pick your favorite question and answer that one.

Danny Quah: Yeah, let me just say one thing, and I want to use that one thing to address the question about information, question about race and culture, and question about youth opportunity. I think that what we've seen because of the disruption in economic conditions due to trade and growth, allows fertile ground for those who wish to manipulate social anger. Identity politics in race and culture is a constant. Nobody changes their identity in that way over two decades. However, over two decades, we have seen social unrest grow fourfold worldwide. That comes hand in hand with the idea that as local economic conditions get disrupted, people fear that they are trapped into patterns of social immobility. That matters for youth, that matters for racially sensitive populations, and the inability of our policymakers to be able to address the disruption in local economic conditions, address the challenges of income inequality, and through that, something called a Great Gatsby Curve, where high inequality leads to lower social mobility, has led to ever rising anger. We need to stem that vicious cycle. And I think we need to sit down now and develop the tools in our conversations between experts like Rachel, policymakers, policymakers, and communication experts, to break that vicious cycle. And I'm hopeful we can.

Justin Sandefur: Thank you.

Indermit Gill: I'm going to try to answer the question that Christopher asked, but I'm just using that question just to pick on Danny again. Actually, the point that Danny made is the point that all of my relatives in India make. I don't mean that as a compliment because my relatives are not very smart. We are from Punjab. Basically, what they say is that the US is a declining power. You're not saying that. You're saying that the US is a drawing power, but they say that the US is declining power. So I asked them a simple question. I said, "do you think American enterprise is a declining thing?" And they said, "No, actually, American enterprise is very dynamic, it's very big, it's very influential around the world". And so I said, "Well, in that case, why do you think that the US is a declining power?" Because America's strength has always been enterprise, not its government. People around the world have imitated those arrangements, not those of the government. I mean, nobody's come up with a primary system like the one that we have here, right? But people have come up with private enterprise. So then the next question is, of course, then you have to ask the following question. You say, "Will the influence of the United States through its enterprise system, which is the point that Christopher made, is that going to diminish or is that going to continue unabated?" Because that ultimately was the main influence of the

US economy on the rest of the world. Now, you could talk about the other arrangements in these public institutions and so on. If you look at the record of that, I think that actually the record of the US signing on to ILO treaties, **e**t cetera, has been very patchy at best and varies up and down. We might be seeing that down part, now. I think the real question is, will the influence of the US enterprise sector, will it diminish over the next decade, or will it increase or continue unabated? I think that's the debate to have.

Justin Sandefur: Great. I look forward to the calls you're going to get from the European EDs at the end of this session. Thank you to all of the panelists for a stimulating conversation and the many questions. One round of applause for our panel.

[END OF TRANSCRIPT]