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Closing remarks

Ladies and gentlemen,

Let me first express my gratitude to all participants of this year's Munich Economic Summit. It was a great conference with stimulating debates, even fascinating ones at times. This is what we had hoped, we being the BMW Foundation Herbert Quandt and CESifo. I am most grateful for the good co-operation of the Foundation. We are looking forward to more such conferences in the future.

It is very difficult to draw conclusions from the discussion, because opinions were so diverse. Just take the last panel. David Wildasin and I believe that the welfare state will erode and Giampaolo Galli thinks that the welfare state will grow during the next ten years. Georg Milbradt said we need jobs, not immigrants, and just an hour earlier, Jürgen Strube had said that we have 3 million unfilled jobs and need immigrants to fill them. These are interesting opinions and we will see who is right.

To some extent, the different answers result from different assumptions as to the segment of the labour market we focus on. It is true that there are parts of the labour market where we need immigration of high-skilled people. On the other hand, at the lower end of the qualification ladder the market does not function because wages are not flexible. There immigration would definitely be immigration into unemployment.

But we do agree at least on some things: If wages are flexible, immigration of working people is good. And we also agree that welfare migration of people, who are simply driven by the gifts they receive, is bad. The problem is that in reality we always have a mixture of the two and cannot know who comes for what motive.

The big theme of these days is the EU constitution. As I said at the beginning of the conference, I love the European idea and I believe we need a constitution. In the end we also need a United States of Europe. But I am doubtful whether I should support this particular constitution. In all likelihood, this constitution will not come into being in the first ratification round because the British referendum is sure to fail. In two years' time we may meet here again and discuss the constitution. I hope that today's discussions will be useful for adopting the necessary revisions.

The assessment of the constitution reminds me of a joke John Major told us here two years ago. He had asked Yeltsin about the Russian economy and to express his opinion in one word. Yeltsin answered "good". When he asked him to voice his opinion in two words, Yeltsin answered "not good". I feel the same about this constitution.

In closing, I would like to thank everyone who helped to make this conference possible, in particular Kai Schellhorn from the BMW Foundation. And I want to thank the people who did the real work, Thomas Leeb, Ulrich Hange and Christian Kelders and all the others who worked in the background. They deserve a big hand of applause.

I want to conclude with an invitation to dinner at the Royal Residence, which will be hosted by the Bavarian Government represented by Minister Otto Wiesheu.

Thank you very much.