

World Knowledge Forum 2013

Lawrence Summers Keynote Speech

Early Tuesday morning, Dr. Lawrence Summers opened the 14th annual World Knowledge Forum with his thoughts on the newly emerging world system. According to Dr. Summers, "Ultimately it is what happens in Asia, along with the US, that will determine the fate of planet and determine how we are looked on by historians who will judge us 300 years from now."

Dr. Summers, Charles W. Eliot University Professor and President Emeritus of Harvard University, gave the keynote speech to this year's Forum, themed "One Asia Metamorphosis," presenting his views on the current trends of the global economic and political environment.

One trend Dr. Summers highlighted, in line with the objectives of the Forum itself, is a revolution of knowledge economy, a revolution in information technology. The effect this trend has had on the global economy is unprecedented, he said, with "economic growth where living standards doubled in a long decade, which means they have increased by a factor of 60 in a single human lifespan. That is more than we have ever seen in all of human history, and it is affecting far more people than have ever been affected."

The other major trend Dr. Summers emphasized was the increasing role of Asia on the world stage. "This was the moment when the central theatre of humanity moved importantly from West to East," he said, "because that's where the energy, the thrust, and the drive is." The result of this shift has been a re-centering of the global system.

However, the shift is not without difficulties. As Dr. Summers went on to say, one of these difficulties is "the challenge that will determine whether all this works out peacefully, equally, and freely and for the benefit of people everywhere." Dr. Summers believes it is Asia, as the emerging center of history, and the US that will determine the outcome of this challenge.

While emphasizing the growing significance of Asia, Dr. Summers maintained that the US will continue to be a major player in the global system. He stated, "The US remains central because of its unique capacity to project force, its unique capacity to serve as a creator of knowledge and a magnet for those who wish to learn, and because it remains the only rich country with strong positive demographic momentum and a capacity to attract immigrants." Thus, it is the joint actions of the US and Asia that will shape the future of the global system.

In response to the current political crisis in the US, Dr. Summers expressed concern, but said with great confidence, "The US will not default. I can't tell you how the political machinations will work out, but I am as certain as almost anything, that every dollar of interest will be paid and will be paid on time."

For the near future, though, Dr. Summers expressed, "The challenge of assuring adequate demand remains critical, and in view it is essential that fiscal and monetary policy are focused on pushing the economy forward." He also explained what he perceives to be the highest priorities for the US government. "Our challenge," he said, "is to push our economy forward as an example, to make our politics functional and an example to others, and to be strongly engaged with the rest of world."

Dr. Summers also spoke about the potential economic crisis looming in the Asian sphere, especially as China's economic growth begins to plateau. In Asia, he said, it will be "the challenge of maintaining the momentum of growth when growth can no longer be achieved through what has been the dominant engine so far: manufacturing exports."

In addition to economic concerns, Dr. Summers also mentioned the political problems presented in Asia, comparing the importance of stability to the environment in Europe. He quipped, "It is all very well to disparage NATO as a talk shop. Certainly there is much basis for those wisecracks, but on the other hand, war is not conceivable in Europe." Dr. Summers wonders and hopes that such a security will be possible in Asia as well.

Dr. Summers concluded his talk with cautious optimism, stating, "If we in the US and Asia make wise choices, the next could be the best century humanity has ever had. But that is very far from guaranteed." The key will be the focus moving forward. "The critical questions are not about potential. We have it. They're not about capacity. We possess it. They are about the ability of a political system to function, to focus on the future. And that is why the kind of stimulus to thinking, the kind of dialogue that takes place between people from many nations, the kind of reflection and challenges that takes place at a conference like this is so important."