

Cherie:

Good afternoon, distinguished guests, conciliates, I see many dear friends and familiar faces here that I know. I'm delighted to welcome you to Three Talk. Especially I would like to welcome Columbia University from New York City to Shanghai City and also for the Columbia University's trustees and international advisory panelists. I'd like to ask the faculty, the trustees and ICA members to rise, so we could really welcome to Shanghai. Welcome to Three on the Bund. It has been founded on the philosophy of three values, including philanthropy, sensitivity to our environment, and last but not least, the unity in our diversity. We celebrate our diversity and wish we could come together and have a common future that is beautiful for each of us, especially for the future of our world. Our last panel on philanthropy was on Special Olympics, Yanglan and with a Columbia University's ICA member was part of the Olympic. I met Tim in the snowy Switzerland just earlier this year. He talked to me that he was so grateful for that three talk session because there was some from the audience who was so moved by the panel and now becomes one of the major donors to the Special Olympics course. So, I hope that we could learn more about Columbia University, the professors and the faculties and each of the panelists and we could organize more activities for you to learn more about the university and you will be champion of Columbia University in China no matter what parts of the world you come from. First I want to thank Peter to co-host this panel. Columbia University has a long history with China. Dated back 100 years ago, the historians have already conducted the research about our own Chinese history. So that legacy goes back a long way. But today, the panel is looking forward at the world in 2030, the ideal world that we'd like and our personal journey, how we could work in our own way and synchronize with different parts of the world to achieve that ideal world that would be in 2030. I'd like to introduce President Lee Bollinger, in my mind, he is the best president of university, because I'm entirely biased because of having been the student and having got to know Lee. I'd like to welcome Jeffery Sachs, they have put together an amazing team. Peter Jungen has put together the World Leader Forum, arts initiative, the Forbs and the other major projects that now go around the global. He is also an outstanding lawyer, sitting on the board of many organizations, including Federal Reserve board of New York. For many of you are business people, you may be interested in our times. I'd like to pass it to Lee

Lee:

Thank you very much, Cherie. She asked me to begin our panel by introducing the panelists with the statement about the subject and also to say something about the International Advisory Council. IAC is about the bringing together the org in the Columbia University, people has great successful distinction, people playing great roles in the world, and try to help Columbia University engage more with the world as its developing. We all refer to the phenomenon of globalization. I think we have a sense of what that means and now it is quite vague. We know the opening of the markets of trade of cross country together with new communication technology like the internet and travel and alike reshaping the human society. Greatest universities, especially like the one located in the New York City, Columbia University, really need to stay near to these trends. Columbia University has been an international university which has the second largest number of international students in the

absolute sense in the US. We have many great faculties, institutes, schools of international and public affairs. It's a leading school in thinking about global matters and policy issues, I could go on and on, all parts are about the globalization. So, IAC is made of many distinguished people like Cherie, Ipek, Peter, I and my wife. We hold very substantially each year bringing those people in thinking about the university. This time we're in China and to really engage and try to understand what is happening in this country. It's obviously a lot of importance to the world that how globalization goes forward in China. So we're here to understand it better. Under the subject that Cherie asked us to talk about, I take it as it is about the capacity to imagine the future and think about how to do that. I think about the university, I think about the role that university plays and creating a capacity in our students and in the research community. To understand the world and its complexity, each one of us comes to the world with some premise and conditions about how the world is or what it might be. But what happens in the great classroom? Within a short period of time, you've great teachers and great students, you'll very quickly realize that you're very far away to see some things; you're one of many and breaking down of our pre-assumptions. What we're as teacher is doing, we may remember and do it for the rest of our life. But now we have to change our mental condition imagining different future. Let me conclude this by giving a concrete example. Jeffery Sachs and other among us are trying to get focus on the global environmental issues. In order to do that, we have to break down something that is very natural to us. That is to think about the issue from the advantage point from a citizen of a particular country. Our natural orientation in life is to think about the world through the lands being a citizen of a country. And now we're facing a set of problems really beyond any single country. And try to imagine what might be like the global community to try to solve these things requires breaking down how we think about things and being forward in a new mindset. And great universities can do that. We think Columbia University, more than anything, which is my hope for what we can do. So let me turn it to the panelist, Peter, who is from angel investor and he is a very distinguished person in Europe and also a very successful business man and also engaged in policy issues. Jeffery Sachs is widely known for the work he has done over the past decades in helping countries of emerging from non-market conditions into free and open societies. He has been significantly a part of this book. This is my first time to touch it, and it is always nice to touch it. And we have to buy the book. He is very much involved in articulating millenarian goals and he is an advisor to a secretary general and the head of the Earth Institute in Columbia University, has engaged the institution broadly. He is also thinking about the poverty and how we could do about it. But also global climate issues that really call for a collective of understanding. Ipek is a very noted producer of a television program and other TV in Turkey and also graduated from Columbia University. We're very proud of what she's accomplished. So, let's go to the panel and Ipek, you want to begin?

Ipek:

Thank you for inviting us to your wonderful city. It's my pleasure to know Shanghai in the little time we have. I'm a journalist and business woman come from Turkey. My working time is divided to media and entrepreneur. In my spare time I put my time in courses which I hope that will further my country, and economic competitiveness. When I was asked to

join this panel, I asked to myself the question that what I can be in the table with such distinguished panel. I decided that first and foremost, I'm here as a woman and as a mother who cares about the future of the world. I'd like to talk about my hopes and my fears. First I hope to be alive in 2030 and most likely I will be. And what comes to my country and to my children and to my troubled region. There are the issues that bother me. What's happening to my neighboring countries, to Irak, to Iran; they all have serious problems. Will they be able to survive them? What have happened in the past 20 years, hopefully it will not happen in the next 20 years. When I look at the wider world, I see lots of trouble and I feel more responsible to the future and I cannot close my eyes anymore. But I know the mountain in ice in Arctic, I don't just think about the penguins, I know it comes to me as well. When I know thousands of people die in Africa, I feel it to myself. When I know a child having lost his home after a bombing in Gaza, I feel his pain. So, my life might be in order, my house might be in order, my country might be in order. But is the world really in order? I'm really bothered by this. It is truly that there are lot being done in the world to help it to be a better world, people are donating more time, more money, more resource and there are more coordinative men than ever before. Then we have to ask that what these changes mean. When the panel is talking about the 2030, I think the change might mean that we put our resource to better use, whether it is the world natural resources, money, time, or the power of our minds, we should endeavor to the constructive, not the destructive. I think change also must mean looking for ways to bring more peace to the conflicts in the world. Peace and security, they not the same thing. Security should not be the substitute for the peace. Peace, even though it is a requirement. So, one of the things I look forward to is that we'll have more off in 2030; we have more unified sense and we need to strive for peace. Without peace, I don't see any sustainable progress. In order to achieve peace, one needs dialog and understanding, but we all know that there are conflicts in the world. It's not easy to start the dialog if not understanding each other. When we look at the achievements we find, when there is a political commitment on the part of citizens to make decisions, the measures are plenty. We now have enough weapons to destroy the world, and we've enough technology to do it. We should force our government to look for peaceful means and use their money else where. I think in Iraq, or war-torn countries, this is the issue near to me, because my husband is from Iraq, or maybe it is a neighboring country. Right before our eyes, there are so many damages being done. It's not just military damage; it is environmental damaging and the future of the new generation. I'm thinking if I'm an orphan in Iraq right now 2 years old, in 2030, I would be 24 years old, but somebody has hijacked my future. What can I do about it? The economic and technological skill we've captured is very advanced, now I think we should work more on the ideas and ideals. When I look into 2030 as a world citizen, I see a lot of possibilities because there are lots work being researched by people, institutions, by leaders in their world, such as Jeffery Sachs, even with Bill Gates with his foundation initiatives. There are a lot of global institutions worldwide. So we can do this better ever before since we've more creation, technology, efficiency, more communications. It is very significant to think about these issues in Shanghai, in China today, because I think this is the future. A country like China having a lot of opportunities to continue with mistakes made by developed countries when they were experiencing the same period. Maybe it can make separated different choices, maybe it can make sustainable economic

development in the long term go, not just repeat the resources of the nation just for the sake of the current generation. I'm not so naïve to think that there are easy premises. But there are some progresses of humanity. So, why not hope for the better thing regarding the current situation? I also have a lot of worries, one of them is the rise of religious fundamentalism all over the world, another one I have is ethnic based politics which I think many parts of the world are not supposed to see. I'm talking about the matter really close to my heart, close to my country which we've been discussing in our meeting as well, that is the increasing divide between Islam and the west. I'd argue it is not just the Islamic fundamentalism, but inability or unwillingness of the west to come to turn with Islam. Another key issue is that fundamentalist Islam has hijacked the moderate Islam that has experienced many Islamic countries in the world in the past 50 years. So this is a very pressing issue on many continents, not just in Islamic countries themselves because there are muslims in Asia, Europe and US. It is a global phenomenon and I don't see it is getting any better. Going back to my own society, I promised Cherie I would say couple of words about Turkey following the line of Islamic fundamentalism. I'm worried about the debate we're having. As to the positive side of the situation and one of the achievements we have already achieved is women's power environment. It has been developed further. We've right now. I just conclude my thoughts here, on one hand, we have a world divided by ethnic or religious lines, but also we have a century giving us full of opportunities so I hope that in the all directions we get benefits, all of us. I want to conclude it with a couple of lines from a Turkey poet, into 2030, we live like a tree, separate and free, like forest and brothers. This is our plea, thank you very much.

Peter:

If Columbia University can take 100% of eloquence of Ipek, I think we should be extremely proud because that is the most remarkable statement. Both Cherie and Ipek both said the central challenge that is the unity from diversity. Is it possible that we can achieve that? You've ended with beautiful Turkish poetry. Let me start with the beautiful line of American President, John Kennedy, who said something that I regard as one of the most important statement about American leadership. He said if we cannot only add our differences, but also at least make our world safe for diversity, we're all the habit of this small planet, we all breath the same air, we all cherish our children's future and we're all mortal. For me, that conveyed ultimate sentiment. We have to find the way to unify on a small and very crowded planet and already it is so crowded. There are blackberries, radio, video or other means. It is gonna get a lot more crowded. We have a fundamental choice in this crowded world with unity and diversity. 2030 is an interesting day-set about when China might take the position of US economically and becomes the bigger economy than US. If we don't do disastrous things to interrupt, the world can avoid economical calamity or geographic calamity. If we find our ways through environmental challenges which come back in a short period of time, by 2030 the rate China can expect to have for the next decades that can roughly have the size of US, round 7.5 trillion US dollars compared to 15 trillion US dollars, China would probably take over US size. This is to be expected and not to be worried about, certainly not from the point of US, it doesn't mean US is getting poor, means the big gap of income levels of US, and that of China is narrowed. If it is done in a sustainable and wild way, historically, the

dominance of Atlantic of 2.5 century will come to an end because that dominance is a strange phenomenon in the history. On the positive side, it is the unique breakthrough based on science and technology the way it never happened in the history and add much credit to the western and European civilization. And in the negative way, by geographic and military weapon of west hold itself for the rest of the world for a long time. That period has come to an end. By two processes, it is positive on the whole. One is that technology has spread everywhere and the capacity to develop technology has spread everywhere. And that is very positive. Second is that the sovereignty has spread everywhere. The colonial era is over. And those in US who said that US is the new empire ignored that in the history nobody wanted to be dominated by someone else. And that era is over. Those are the good pieces of news that allow us to continue to project development in China, to feel Asia as the center of world economy in 21 century. There are more than a half of the people in the planet in this area, about 60-65% world population. There are two greatest challenges in this benign view of the spread of wealth. One is environmental calamity. China would be quite high on the list of the countries which are vulnerable to environmental calamity. If we have a crowded planet, then this is the crowded country. It is 6% of world's land with 20% of the whole population. It is more than 3 times the average density here. Now China has 5 or 6% of most critical resources for 22% of the population. That means the environmental stress is high. Water stress would count the top of the list. Water itself is about how much water it is and the second it is about the water pollution because there are so many people dumping things in water here. China faces tremendous water stress even greater than global. This is not to be a politically hug, it is not economics verses environment, it is just economics and economics. Because there will not be economics if environment gives ways and support. Every part of the economy in China is part of the world economy. So avoiding environmental calamity is a necessity for continued spread of prosperity and for holding where we are in the world, and there is a huge challenge. We are gonna let 2008 pass with an election in US and Olympics in China and in 2009 we had better go down to work in solving problems. So next year we are gonna work with the President of US who is somehow prepared and with China to understand its leadership, responsibility in the world. The other risk we face is what Ipek talked about and worried about and also in Cherie's remarks. That is how we handle diversity itself. The world is interconnected and utterly capable to bring ourselves to pieces, we are very good at blaming our problems than others and this is the most vulnerability of human mentality. We differentiate people by their color, their skin and how they look and then decide their challenges and our problems are not common and really against each other. This probably is the greatest risk that we face on the planet. One thing I think is very interesting but also very complex is that our society is becoming more integrated and complex on the whole this is very positive. The Consensus Bureau projects that by 2050 the US will be half white non-Hispanic and half either non-Hispanic or non white. This is such as fundamental change in US society and the consequences will be profound. The huge benefit we can get there safely but also it puts stresses in culture identity and politics right now. In Europe there is no difference. Many European big cities will become 30 or 40% Islamic in the next 20 or 30 or 40 years. This is also absolutely phenomenal for civilizations witch has to find itself and this puts tremendous stresses on politics and causes migration both in US and Europe. China is somehow

immune from these tendencies, pressures, divisions, and worries and anxieties. We've got a lot of growing up to do in a crowded diverse world. And the increasing diversity in our society provides the key lessons for us. For us, in New York, it is easy, it is completely global city of people come from nearly 200 countries, speaking 200 languages. And it is the great strength of our city and the great strength of our world. If it doesn't, it'll become a part of terrorism and the worries that Ipek and Cherie talked about eloquently. Thank you very much.

Jeffery Sachs

We have the lines from Turkish poem and statement from US president. What I have to begin with? The minimum I can do is to say that this topic is not only important ideas, but it is more important to put it into action. And it directly leads to the topic of discussion. In 2030 or whatever China would take place of US economically. This is nothing new. That is the renaissance of Asia and it is coming back. In 1820 China and Southeast Asia accounted 50% of world GDP. A little bit later than 200 years, we are back to what they were. So that is not that really much new. Where are we? I am standing up because some people are behind those pillars might see me clearly. It is the first time now in history that the majority of the world enjoys the fruit of capitalism. We have capitalism as our system but not all the parts of the world take that. This is going to change the world and the system substantially. The system is based on economics. If you look back about 1800, people were living about the same conditions as they were in 1000 before. And quality of world was very high, higher than any other time in our world. The question is why the capitalism started or market economy started in Europe. Only 4% of the people in 18th century were free. They were slaves and they were working for other people and belonged to other people. And only in the second part of 19th century that Russia liberated the serfs in 1861. Why I am saying that? I'm saying that the period we were in is a very young period in the history. And the real question is how did we get there? Even more important, why did it take so long for this sort of society and that system to emerge? The most striking thing about it is the fact that the system of capitalism that China has embarked now came so late in the world history. The bourgeois, someone said, has created more wealth since industrialization than all generations of mankind before. It is Karl Marx, who is probably the best analyst in capitalist society. He said that globalization is not a new industry's emerge, but a new world's culture. He loved the idea that feudalism is abolished and freedom was created. I think it is very important to think about the heritage. Innovation explains all modern growth. And here we are and enjoy the result. Since we are living in the situation which has a lot of threats, I think definitely the chances outweigh those risks. If we follow the right approach, I believe so much in this diversity. Diversity has nothing to do with top-down approach, but with bottom up ones. And market economy is about diversity and about people who are in peace joined. So the world has become a better by and through globalization. And I think it's important that in the president debate that globalization has reduced inequality in the world. The number of people living in extremely poor situation is reduced. I could only encourage you to buy the new book. We fully agree on that analysis. And the poverty was cut tremendously in India and China and I don't want to go to details. Even to the quality comes down, particularly cross country, between countries, not in

countries. The most amazed thing is the emergence of the new middle class in the world. About 1960's, 90% of the middle class in the world were white and few percent Asians. In 2000, already we had 52% of the middle class were considered to be Asians. This emergence of world middle class is something has tremendously to do with the Asian and where we are. In all numbers you can see that world has profited tremendously from this process. So among the threats, I'd love to add one and that is people would be successfully in attacking and doing a way in globalization. I think globalization will attack and abolish these threats because only with the growth we can solve all the problems of course other problems emerge from economic growth. The question is do we find the right answers. That is through competition, innovation. And these are the words make this world different from other worlds with the systems we've tried before. This situation, I think we have pleasure to enjoy, particular with the view to our children and grandchildren. We have the chance to leave them back a better world than that was 100 years ago. 20th century, from the European point of view, is the last century. This century is to become an Asian century and of course an even better one. The first time in economic history that Europe is not involved. But there is no reason to think that it'll lead to any conflict because I think the most important thing is we see the merit of globalization with all the difficulties, and spreading the idea of free society, of democracy, of wealth creation and of reducing poverty. We have to be careful that not all the country embarks democracy at once. Democracy even in Europe is particularly young. America was established on those best ideas and this is not long ago. When asked the future of globalization and capitalism, Marx in London school of economist said it was an end game and it is the only game. Why? I think because this has great thing to do about the people's virtue and behavior. Many people think Adam Smiths is very important and I just read what he personally thought which he wrote 50 years earlier that he was concerned more about people's virtue and their behavior. We never had in history so many people liberated in that process and sharing the world which is the great in this world. Thank you very much.

Lee,

Let me ask one question to each of them based on what they just said and open up to the audience. Ipek, you said what of your first concern is religious fundamentalism. Could you say more about it? Could you say some root causes? What do you think needs to be done about it?

Ipek:

I would like to talk about my little experience in Turkey since every Islamic country feels it in different way. I see the impact of the war in Iraq, in fact it is that Palestine question is unresolved. It is giving more rises to infinity with the fundamentalist ideas. As long as there are fingers to point at that issue, it is more likely that more people will join in or be sympathized with that. Thank you.

Lee:

Jeffery Sachs, you talked about the difficulties in getting people to live with and celebrate diversity. What do you think is the key things that need to be done by the society?

Jeffery Sachs:

The concept of framing, how you frame a problem or a situation plays a huge role. If we continue to frame our challenge as war or terrorists, then we are bound to them. If we frame our issues the ways that guarantee these divisions, we just create them even if they don't exist. In many parts of the world, I find people frame issues according to the challenges we face and there are a lot of readiness to solve the common issues. If we were dealing with Iran right now with climate and water, talking with Pakistan, not with how to help them solve the problems but what we do about the extraordinary poverty, we were thinking about the Middle East, the Gaza strip which has the worst water problems, I think we would find there are tremendous readiness to work together to solve the problem. One of the things that John Kennedy said is that we should not dream the infinite peace because that is bound to disappoint us. We should take problems in a manageable step by step way and take big problems and put them into manageable turns, and we can make progress step by step. Peace is not the ground gestures, it is the active measures and steps and it is a process of problems solving. So the peace is not a state of being, but a process of problem solving. To me, it is how we frame our challenges which decide the things for us. If we decide that we are going to have a war of civilizations, we'll have a war of civilizations. If we decide to solve the problems together, we can be sharing and find these divisions just melt away. We have the chance that in European institute to walk into poor communities. There is no part in the world, no matter what religion, ecological conditions, what race, language divisions, with all good wills you don't see any humanity failed. I think this is not the absolute and normal human condition, but we have the conscience to help to build that kind of world.

Lee:

I have the thanks of knowing you and listening to you today that you believe that unleashing of capitalism is one of great ways to bring out human improvement. To what extent is that only true if it is moderated by non-capitalists kind of social response? To what extent, does it have to be balanced by the social good that is implemented collectively?

Jeffery Sachs:

The prime minister started a visit to Singapore for couple of days and said they can do that, why not we. They've learnt a lot. In 70's, some German professors in this country talked about the concept of social market economy. Markets are in the sense of market economy social because of efficiency. The society is able to support those who cannot support themselves. That is the key. But it doesn't have to be regulated. It is embedded in the system. The notion of capitalism shocked a lot of people in western world and I can see it in many conferences, even more than in China or India or in another part of the world. I think we have to overcome the idea that we still have the earlier industrialization back that we see children work on this. We put the political frame work in which the society has to trade off between the efficiency of the system and the distribution of its goods. The most important thing I think in this country and in another country can realize is that the system is so efficient that it can reduce poverty more. On the conference in Ghana couple of weeks ago, I talked about the situation of Taiwan, China, Ghana and Korea in 60's and they had 5 US dollar GDP

per capita, but now two of them have 22 US dollar. The question is why. I think it is important to empower people to handle their destiny and this is crucial to this country.

Lee:

We are ready to go to the audience for questions and comments.

Audience1:

My name is Richard Xu, a licensed attorney from Shanghai Pioneer Law Office. I went to New York to study law 27 years ago in <> law school. Last May, I attended my former student's commencement in <> law school. I was impressed by the growing number of international students. Thank you very much for coming here. My question to Peter, first of all thank you very much for your good words to China. I'm Chinese and I was born here 72 years ago. You said China will overtake US in 2030. Frankly speaking, I doubt it. Chinese population is 1.3 billion and will be 1.5 billion in 2030. Don't forget the population. Anyway, China still has a long time to go, to do and to learn from US. That's my point. Thank you.

Jeffery Sachs:

I think 2030, you said that. I probably may be more on your side.

Peter:

Let me explain what I meant by that. The absolute size of Chinese economy, I think has a good chance for overtaking US. But the population indeed in 2030 I guess will be 1.4 billion and US may be 350 million. So there will be 4 to 1 ratio and 1 to 4 per capita of income ratio remaining to the US advantage. So China becomes a large economy doesn't mean higher per person terms; it means in total economical size. And given the population, China will still remain lower in the per person level. I do believe the absolute size of the economy matters in geopolitics in direction of trade and in many other things. So I see China's role in world is continues increasing. But also I see China's carbon emission continues and becomes the largest in the world quite lately. And I hope China's responsibility increases with its role.

Jeffery Sachs,

I just put some simple calculation. China's GDP now is about Germany, 2200 billion euro. If China grows with 10% per year, GDP will double within 7 to 8 years. If that continues in 18 or 20 years with 10% growth rate each year, it will achieve that. I doubt whether that is possible since 1976 China has grown with an average rate of between 9 and 10% at a much lower base, 6% of GDP. It started 4% growth rate each year later. If this time, it assumes 10% growth rate, it'll be the first example in history.

Peter:

Now we are gonna argue about numbers. It is important to say that when one makes comparison cross countries, you'll just use market exchange rate. I think it'll be more accurate in using purchasing power in which China is not in 200 billion, but more than 5

trillion, so about double that. So that makes the difference.

Audience2

Good afternoon. My question goes back to the book of poverty. You mentioned the access to the market is important in the process of sustainable and developed level. Now in China though there is not inflation, the access to the coal, food and water is harder and it put a lot of pressure on the network. So, to go to 2030, if you look at the economic chart, what are the key things we should be looking at for a long term?

Peter,

I think the resources constrains are the real issue for us. What I argued in this new book is that in order to solve those problems without environmental calamity, we need a new set of technologies which we can identify and within our reach but not automatic because technological change needs public and private role and disposition to bring it about. Simply put, even if energy is available in China, China is a coal-dependent economy and would not simply grow at the base using the current technology ruining the world climate and its own climate. So there needs to be energy approach that makes cool and safe. A choice of transport technologies which increase the efficiency of the current public ones and reduce the pollution requires the public policies. In China, there are 130 cities and 1.5 billion people and there will be a lot of bigger traffic problems. One of our IAC members invented a remarkable 2500 dollar car, which might alleviate the problems. As to the water, there are two fundamental issues here. One is pollution and the poor management industry in China. Second is the agriculture. 78% of water is taken on for agriculture. This poses many questions of technology of water production and global trade. Nothing is easy and I think this is the question. Environmentalism is the surface subject and the real subject is economics. Environmental things are nice things you do when you get rich, and we cannot help thinking about it because these are the most impressing questions for continue the economics themselves. Markets alone cannot do it. Markets have to be guided because they will not do those things right by themselves.

Lee,

Ipek, let me take the question and ask you. The relations between the stress that has been put on the world's resources and rising cost of things like coal, and the economic stress there maybe ahead, and kind of social pressures and stress that you referred to. What do you see from them if the world economy moves to globalization in the next decades?

Ipek:

I think there are definitely correlations between lack of economic resources to develop personally, socially and economically as a person, family or union. Social problems, inter-religion problems are linked with that. So I think even in our country we have complex issue regarding these factors. There are military force to reduce the problem but I think the real solution is the access to resources. And economic development is very linked to scary resources and price of the resources.

Jeffery Sachs,

The resource question has the implications that Ipek talked in terms of community. But resources also play roles geopolitically. And when we think about how the mid-east could survive and the break forces outside of mid-east damaged more than US to them. This is about the projection of the power to secure the oil and it messed up local government tremendously. And it is the big part of the problem. It could get worse. We should be careful because oil price is 107 dollars which makes every one even more nervous than the oil was 50 dollars. So we have to understand sometimes when we attack the government in a region, talking about fundamentalism and conduct our interferences, resources often play a big role in it. The worst thing it could happen is a great struggle between US, China and other major regions in increasingly increase oil resources in the middle-east. And this is partly why the way now we are and that is why we use our brains rather than armies to develop our sustainable energy resources. So the conflict is not head on when we use our at hand resources properly.

Peter,

That is a very good example that what government can achieve and what markets can do. When American is worried about the oil price, the Europe is paying less today for energy than 25 years ago. There are two major reasons. One is about the dollar exchange rate. That was about 1:10 at that time. Now there is a swing about 50%. The second is the inflation rate. More than the inflation rate, at that time, for 1% GDP growth, we used 1.2% energy. And now the energy consumption now is 0.8 or 0.9%. So all in all, if you live in Europe, you pay less for oil and energy bill. So this is the combination including the innovation process which is good for the customer to pay less and also good for the company to reduce the cost and it is good for their own sake, not just good for the world climate. That high oil price is not all that bad. I think this innovation process has given us the better solutions. Look at the car accidents, after the world war about three times the people died as today because of the car accidents. Today, considering the world pollution and explosion, the number of people died is smaller than that. Now, the solution is easy, just to reduce the average speed limit to 5 kilometers per hour. We are not going to do that. But the innovation process has brought the number of car accidents down because the consumer prefers the car which has that safety. We have to think about the question that who puts the guideline. Who defined the guideline and put it into practice? Is it the national government? Is it the EU Commission or United Nations? We are not with that answer obviously.

Lee:

I just put some words for universities as a place in global society dealing with these problems and coming up with solutions. One of the things which are extremely impressive to those of us coming from US and universities is the readiness of universities in this country in China to team up with universities in US and try to develop common programs. There have been tremendous exchanges going on. And a partnership like Columbia University has many of them and we hope to get more. This is one of the things that I think of greatest hopes for the future.

Audience3

I'm Marl Xian, a current high school student. I have three questions for each guest Ipek, you've mentioned the conflict with Islamic and Fundamentalists. If we look into the history, we find there are lot of ways to solve the conflict between Catholics and Protestants. Do you think it is the same for the conflict you mentioned or there is other better ways to solve the conflict you mentioned?

Ipek,

You're not really a high school student. To be honest I don't know the answer to that, but I will try to say a couple of words. Islamic experience in each country is different. We didn't go to the renaissance happened in west compared to US or Europe. But in Turkey we do have some traditions and culture with modern universal value. I think this will be the path the Islamic in other countries can take. But look at the facts on the ground, I think there are many younger generations they feel the promise of west or the western way of life hasn't delivered and having fundamentalism which can be seen in many places in Arabic which catches a lot of attention and poses a big challenge. Thank you.

Audience 3:

Mr. Sachs, you talked about China's economy which is based on burning fuels and cheap labors. Do you think in 2030, the economic structure will change? Mr. Young, you talked about globalization which makes the capital easier to flow. But it helps the big companies with large capital to play monopoly on the developing markets with less regulation. How to prevent this from happening?

Jeffery Sachs:

China already has tremendous transformation, no longer low wage by any means; it is already a very sophisticated economy. Many big companies devote 1% GNP to R&D, and there is a big boost of technological capacity. Technology measures the gap which is deployed in Chinese economy and in neighboring countries like in Korea and others narrower quickly. This is part of successful economic development process. What is true is that any successful economy with 1.3billion people depends great deal on resources, energy, water, land and so on. And this is what we have been discussing the biggest challenge that China faces. Finding solutions for that and those I believe have to come through resources saving technologies as a critical dimension of the solution.

Peter

On the capital to flow, first of all, and as the monopoly, I don't think anyone who really looks at the numbers would have the idea. I think that many western companies with a market with free capital. And more than 90% of toys are made in China. And almost no one produces shoes in Europe. And so is about the tax, they are all here. Since 1976, 2100 billion US dollars have been invested. By western firms here, 60% of them are Chinese experts who are working in the companies with the west-owned and working with Chinese. We have another way round to discuss who is domineering this. There is lots of surplus

leading to funds and in Europe and US many people are talking about how to contain them because now they want to invest in Europe or US. And thank God, they are there. And this results in peace creation process. Globalization really contributes to that in a substantial way.

Cherie,

We are all inspired by each of the guest. I just want to say something about the topic. Jeffery Sachs just quoted a remark from US president John Kennedy. I think leadership has great to do with shaping the future. University like Columbia University, and many universities in China and around world have tremendous tasks creating the future leadership. A professor from Columbia University shared three aspects of leadership with me that I always remember. What is the manifestation of good leader? They have the qualifications, background. And they have to have the authority. And they can capture the emotions whether he is a leader for a country, for a foundation or a business leader as to what is happening toward the future. The background should be economic and science bases. The US dollars and whether China will overtake US. Those have something to do with the basic calculations. Secondly, it is the authority. The governance such as voting issues, manage the future of all countries is part of that global framework. Thirdly, it is about the emotional aspect. I remember that the most beautiful statement from Ipek and Jeffery Sachs that the key is the framework. How do we gather those emotions? We have to get the right framework and get this energy. I think this time is not enough, if we could think more it is a wonderful process on that. We have psychology of market and emotional aspects. Through this process we could understand people better. This framework needs more study and I believe the universities play a great role. We have the deans and wonderful leaders here whose work can be coordinated. And we could find that solution that connects us. I would just like to thank all the panelists here and <> for being here today. And we'd like to support you. And please buy Jeffery Sachs's book. It is a great book. I have read it which has a lot of important information and really inspires me. I think about how we deal with future in this crowded planet. I just want to give some gifts to the panelists. It is a box of hand-made chocolate. Thank you all for coming.

