

How to Stay Competitive in Today's Complex World

Dr. Il SaKong

Chairman

Institute for Global Economics (IGE)

for

Solbridge Wisemen Lecture Series II

October 30, 2012

Major Points of Discussion

- Today's world is under two historical mega trends, namely rapidly accelerating globalization and ever more deepening knowledge society, while the world is in a no-polar or a G-zero situation.

Major Points of Discussion (cont'd)

- The rapidly accelerating globalization trend makes the world more and more interdependent and interconnected. It calls for closer international policy coordination and cooperation for the provision of global public goods, e.g. global financial stability and global free trade regime.

Major Points of Discussion (cont'd)

- At the national level, the rapid globalization also calls for continuous structural adjustments and institutional reforms.

Major Points of Discussion (cont'd)

- In a no-polar world, the global community level decision-making can easily become a protracted process and consequently a functioning collective decision-making global governance system is needed.
- After the Lehman Brothers bankruptcy in September 2008, the G20 Summit process was initiated. However, the G20 needs its own governance strengthened.

Major Points of Discussion (cont'd)

- At the same time, a regional level cooperative mechanism, e.g. the Chiang Mai Initiative Multilateralization (CMIM), should be encouraged to supplement the global governance system.

Major Points of Discussion (cont'd)

- The deepening knowledge society poses various challenges to individuals. Lifelong learning and continuous training and retraining for workers become even more critical. Therefore, the productivity differentials and so wage and income differentials between the better educated and the less can be much bigger than before, resulting in a skewed income and wealth distribution and social polarization, especially with the rapid globalization trend.

Major Points of Discussion (cont'd)

- Appropriate educational reforms and adequate social safety net should be placed on top of the national agenda.