

## ***Korea in the World : Today and Tomorrow***

Ladies and Gentlemen,

I am honored to be with you this morning, and delighted to return to Korea, which to my mind is one of the most important and interesting countries in the world today. Those of you who have had the chance to read my new book 『Preparing for the Twenty-First Century』 will know that I make more references to Korea than to any other country in the world that is not a Great Power. And you may also have observed that, in the chapter that is called “Winners and Losers in the Developing World,” I spend considerable space examining the vital question “Why has Korea been so successful economically since the 1950s when other parts of the world, especially Africa, have not been successful?” Korea, along with certain other East Asian trading states such as Taiwan and Singapore, has made an impact upon the global economy to a degree out of all proportion to this country’s population and size—recalling such earlier, flourishing trading states in history like The Hanseatic League or Venice.

But it is not simply because of Korea’s economic record that it is one of the most significant places on our planet today. It is because of how Korea’s present and future economic condition, which is challenging enough, may (and I think inevitably will) interact with developments in the field of politics, diplomacy, and international rivalries over the next few decades.

myself. On the whole, when I read the story of what is happening in the North, I agree with your government's policy of not making a great diplomatic controversy out of this, of playing low-key, and of trying to maintain correct relations with the North, however difficult that sometimes may be. The English Statesman Winston Churchill used to say that "jaw, jaw" was better than "war, war"—that is, to say, talking about a problem was better than fighting over it—and I think that is usually true provided you do not let your defenses drop to a level where you become a tempting target for aggression.

The other immediate issue during this past year must have been the delicate nature of global trading issues, especially when growth rates overall, in Europe, in Eastern Europe and America were so low. The debate upon the North American Free Trade Agreement (NAFTA) inside the United States, as you know, was especially intense and hard fought, and in my opinion would not have been successful, had President Clinton not been bold and vigorous enough to intervene fully on behalf of the NAFTA treaty. The GATT negotiations in November and December were even more tense and problematic and then achieved only after very strong political pressure from the White House. I think that is a good sign for Clinton on both of those trading issues. I do not think that the forces against the liberalization of trade and services have gone away. Indeed, I still think the global economy faces a profound challenge in the form of constant modernization of production. Just for a moment, imagine how much more gloomy the economic outlook here in Korea would have been if both the NAFTA agreement and the GATT talks had failed. So I think we can be grateful for that. If they had failed, it would have been taken

as a sign, throughout East Asia, that American and Europe were turning in on themselves, becoming protectionist.

Now, the medium-term, the second level challenges to Korea's future, as I see them, are more in the field of political relationships with the Great Powers that surround this country. I said a few minutes ago that, were Korea located in the eastern Atlantic or in the Caribbean, things would be entirely different. But Korea is not located there, and it has instead to practice a careful, sensible multilateral diplomacy—towards Japan, towards China, towards Russia, and by extension towards America. And, this cannot be a simple multilateralism, it cannot be that the relations between Seoul and Tokyo are unconnected with relations between Seoul and Beijing. As we all know, any worsening in Chinese-Japanese relations would certainly be of deep concern to Korea's government, and to Korean business.

Well, what might happen in the medium-term—say, during the 1990s—to the internal condition of those four big powers that impact upon this region, that could impact upon Korea? Of the four powers' future, I believe (perhaps rashly) that the American condition is the easiest to predict. Although American economic growth may be modest overall, it is now less likely than in the 1980s that there will be a banking collapse and financial crisis. As for American foreign and defense policies, they are going to be cautious and very reactive. Yes, it is true that President Clinton and his cabinet have a commitment to a large domestic reform agenda—healthcare, education, skills training, crime and the rest. It is also true that this new administration is less fascinated by foreign policy *per se* than



Mr. Bush was. But there aren't going to be any drastic further cuts in defense spending and there aren't going to be surprise announcements that America intends to reduce this commitment or this obligation. All the advice the President is getting from inside as well as outside his government is to give out an image of stability, of continuity, of security—and that can be of benefit to an ally like Korea or Japan. Just watch this next week when Mr. Clinton goes to Brussels, and to Eastern Europe and to Russia. Just watch the tone of his speeches. They will be very cautious, very positive.

Many people, I suspect, would argue that the most unpredictable conditions of all are those within Russia and the other states of the former Soviet Union. Here, their chance of great instability, and especially if a conservative regime in Moscow gets to power or there's civil war—and that might in turn affect Siberia and the Russian Far East. In my own opinion, apart from turbulence on the world's trading markets, what happens in Russia will probably not be a major direct danger to Korea. The former Soviet war machine, which looked impressive a decade ago, really is now very inefficient, very dislocated, and decaying in many parts. A renewed imperialist drive by a government in Moscow would intensify the economic chaos, it would destroy the reform process, and it would force the leadership in Moscow to concentrate upon the opposition of the Ukraine and other now-independent states. And any arms build-up by Russia would produce the same coalition of suspicious Great Powers—America, Germany, China, Japan—that Mr. Brezhnev's clumsy policies produced against the USSR in the 1980s. In sum, while the internal changes and struggles within

Russia are a source of concern, I can't see them having a major impact upon Korea's medium-term policies.

Japan, however, is a different matter. Koreans, conscious of the historical record of Japan in this country and elsewhere, always watched Tokyo very carefully for signs it might be changing its foreign and defense policies, or beginning an arms build-up, or seeking economic domination of East Asia. From time to time, such ideas are proposed by nationalist circles in Japan, but until now they have been held in check; and my belief is that they will continue to be checked in the medium-term by two additional reasons, two additional elements.

The first is the uncertainty—indeed, the paralysis—in the Japanese economy, with the continued sagging of property values, bank assets, stock prices, and consumer confidence. The public unease in Japan about the future economy now has the danger of becoming a self-fulfilling prophecy. If you don't believe in the economy, you don't consume, you don't buy and the economy worsens.

The second reason is in the political sphere. As you know, the old political order, dominated by the Liberal Democratic Party and the bureaucrats is collapsing; but it is not clear to observers that it will be easily replaced by a new political order. When I go to Japan, I cannot see much evidence of the rise of a new generation of politicians, of thinkers, of younger businessmen, who are to be seen for example when you go to visit Mexico, or Turkey, or Korea, or certain other countries. They are not in evidence in Japan. And until Japan settles its economic and political problems, I believe it will play a very cautious role in external affairs, unless of course something

significant happens in its relationship with China.

And this is why, ladies and gentlemen, I would argue that the most important player to watch, the country with the greatest potential to affect East Asia's future (and, thus, Korea's future) is China.

It is really difficult to guess the outcome and the future of the massive transformations sweeping across large parts of that great country. Just consider the following questions, how difficult it is to answer them.

Will the growing gap in development and living standards between the booming coastal provinces and the poverty-stricken, resource-depleted inner regions—a gap that is also reflected in different political command structures—lead to China splitting in two or more pieces, as some experts forecast? Will the pressures on population and the environment be eased, before much of the land of China is turned into desert? Will the present leadership in Beijing be replaced by those opposed to market forces and liberalization, therefore causing economic instability? Or, will it be replaced by reformers ready to adopt a cautious policy of not only economic but constitutional changes as well?

In any case, regardless of the type of regime in control in Beijing, does the growth of the Chinese economy, and the constant, steady modernization of China's armed forces, mean that it really intends to be the region's superpower by the turn of the century or a little later? If it intends to be the regional superpower, how will Japan, or America, or China's smaller neighbors, react? Doesn't this, from Korea's perspective, increase the argument for working out an East Asia Conference of Security and Cooperation something on the lines of the C.S.C.



E. in Europe? Would it not be to the best interest of a medium-sized country like Korea to have not only regional economic cooperation but regional security cooperation and consultation?

As to the third level, the longer-term global challenges, ladies and gentlemen, I'm going to expand upon those different types of challenges—not the problems of politics and diplomacy and Korea's international position, but the even larger problems of dealing with global modernization. But, for this morning, let me content myself with a few brief remarks.

When I refer to longer-term global challenges, I am thinking here not so much about Great-Power relations—the topic I deal with in my book 『The Rise and Fall of the Great Powers』—but with really broad, trans-national forces of the sort I examine in this latest book, 『Preparing for the Twenty-First Century』. In particular, I am thinking of the built-in tension between the two greatest forces affecting our global society—the continuing population explosion in Africa, South Asia, Central China, the Middle East, Latin America and other poorer parts of the world, on the one hand. On the other hand, the continuing technology explosion, coming chiefly from richer countries which means that the pace of change and modernization gets swifter and swifter every year.

In other words, there is a population and technology explosion on our planet and these transformations are happening regardless of what America's Korea policy will be, and regardless of who succeeds Mr. Yeltsin in Russia. But because those forces don't possess the same concrete, tangible features as do our problems of diplomacy and politics, we tend to ignore those broader forces.

In my view, ladies and gentlemen, it would be very unwise to ignore these non-military, trans-national forces altogether, just because the pressures are building up slowly. They are building up slowly, I would argue like the pressures that build-up prior to the eruption of a volcano or an earthquake. Just consider, our global society is entering the 21st century on the one hand adding 95 million additional human beings annually to the Earth's total and on the other hand, moving into completely new ways of assembling things, trading things, and growing things that have significant consequences for future employment and prosperity. In the view of some scholars of international affairs, perhaps the most serious development is the emergence of what I call "demographic-technological fault-lines" between advanced and less-advanced regions. On the one side of the fault-lines are wealthy, high-technology, mature societies with stagnant or even declining populations. On the other side of the fault-lines are poor, resource-depleted but fast-growing populations, whose majority are less than 20 years old, desperate for work, desperate for employment and increasingly inclined to migrate across the fault-lines to richer societies, to the growing alarm of the richer societies. The best example in the world today of such a fault-line lies across the Mediterranean Sea between the poor and populous societies of north Africa to the south, and the prosperous but fearful and demographically-declining peoples of southern Europe. There are other similar fault-lines in our globe, if you think about it, between America and Mexico, between Russians and Central Asians, between Australia and Indonesia.

Perhaps we don't notice this problem so much in East Asia, the phenomenon is less evident in East Asia, although some



experts would claim that a “fault-line” or gap is in danger of opening up in China, between the desperately poor, resource-depleted, over-populated regions of the interior on the one hand, and the bustling, prosperous coastal provinces of China on the other.

Still, here in East Asia we need to understand these developments and to study them more carefully; for if these demographic-technological fault-lines between Europe and Africa, between America and Latin America widen, if they instead of being narrowed and bridge, they could indirectly impact this region as well. If Europe and America turn inside to stop the immigration of other peoples, their attitudes towards East Asia, towards Korea, will also become narrow and more protectionist.

But what is equally important to tell to worried Europeans and worried Americans is that they should look very closely at what has been happening in East Asia for the past 30 years, because here, economic growth has been impressive and it's not only caused great increases in standards of living but it's also led to a decline in family size, to a decline in fertility rates. Only in the less successful economies of Asia, Burma or Bangladesh, can we nowadays still talk of a continued population explosion.

Elsewhere in Asia where there has been economic growth, there is also demographic stability, and further prosperity. So we ought to be able to argue that if East Asia achievement in prosperity and demographic stability can be imitated elsewhere, that would do good for the rest of the world.

In conclusion, ladies and gentlemen, I have tried to discuss at these three separate levels, Korea's place in the world, today

and tomorrow.

The first and most immediate level focused upon the issues of 1993, relations with the North and global trade negotiations.

The second level, medium-term level, concentrated upon what is likely to happen with Korea's four Great Power neighbors and what happens within those countries—Russia, Japan, America and China—and the implications for Korea.

And the third level very briefly looked at trans-national forces for change especially technology and population issues as the whole world heads into the next century.

I hope, this morning I have stimulated you with these remarks, and I look forward to your comments.

I thank the Institute for Global Economics and the Korea Economic Daily again for inviting me here and thanks for your attention.

## Discussions

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**C** **Dr. Il SaKong** (Chairman & CEO of the  
Institute for Global Economics)

Thank you very much Professor Kennedy for your not only stimulating but enlightening statement. Now we'll turn the microphone for discussions.

**Q** **Dr. Kyung-Won Kim** (President of the Institute for Social  
Sciences, Former Ambassador to the U.S.)

I have listened to Professor Kennedy's presentation with a great deal of interest and to quote one of the expressions he used to describe the advice he gave to the Korean foreign policy makers, his presentation was so "careful and sensible" that I found very little to disagree with.

Dividing the issues into three levels is a convenient way of handling a multitude of issues and I would go along with Professor Kennedy's definition of issues, except that on the first issue, namely, the immediate challenge facing South Korea. I must confess that on my way here this morning, sitting in my car which seemed to be permanently parked on what looked like the longest parking lot in the world. Counting the minutes anxiously trying to arrive on time, I felt that the most immediate challenge facing South Korea today is what to do about urban transportation and not North Korea.

More seriously, with regard to North Korea, of course, we accept the view that talking is better than fighting. But as I am



sure Professor Kennedy will agree, the tragedy of international relations is that the party which dedicates itself to peace, makes an absolute commitment to peace, is often at the mercy of the side that does not have the equal commitment, equally strong unconditional commitment to peace. A policy of peace, therefore runs the risk of turning into a policy of appeasement, a policy which Winston Churchill whom Professor Kennedy quoted approvingly did not agree with. At what point do we insist that results be produced without which no further talk should continue? Or, to what extent should we combine the threat of reprisal with the on-going negotiations so as to make the talking more effective? This is precisely the dilemma that faces South Korean policy makers as we try to deal with North Korea's suspected nuclear development program.

Professor Kennedy also mentioned that it was fortunate for Korea that NAFTA and GATT talks came to a successful conclusion and I myself wrote recently that that is so. On the other hand, since we are talking about challenges facing South Korea, I think that we need to go a little further beyond saying that it was fortunate that this was the case. In fact, I would suggest that the greatest challenge facing South Korea in the immediate future, in this regard, is how to manage the domestic restructuring process, the domestic adaptation that is required by the changing trading circumstances.

As we all now know, the end of the cold war means that the international relations are driven by economics more than by ideology or even military calculation. Market conditions are also changing very rapidly and we need to adapt to this. Korea had a dramatic and rather traumatic experience when it came to opening up the rice market. I think this is only one of the

instances of difficulties we will face as we further open our markets. We'll have no other choice but to go through with this change. It's going to be a painful process. It will be a process that runs the risk of tearing apart the body politic unless we have the strength and wisdom to deal with this with both vision and sensitivity to those who are being adversely affected by the change.

Now, what about the medium-term challenge? First, I have some minor points that I should like to suggest. Professor Kennedy says the conditions in the U.S. are most easily predictable. I largely share this view. On the other hand, I would have disagreed with him if he had said that United States policy is the most predictable.

Take United States' policy to China, as an example. Every year we seem to have an American president playing the role of Hamlet, trying to decide whether to grant China MFN status or not. Also, on the overall design of the policy toward China, I don't believe President Carter in the 1970s who was certainly no less dedicated to the pursuit of human rights than the current incumbent president, talked about the Chinese human rights issue. In fact, Washington did not hesitate to go ahead and grant full diplomatic recognition to Beijing at that time. And yet, my impression is that the actual conditions pertaining to the human rights problem in China have considerably and substantially improved over the years. United States' policies towards China do not seem really related to what actually happens within China in terms of human rights. But rather, to public moods, congressional attitudes and White House priorities within the United States.

And then on the importance of China, of course, I cannot disagree with Professor Kennedy. China is important. The rise of China, the emergence of China as a modern industrial power is the most important, most decisive development of our time. Its possible impact is mind-boggling and yet I cannot help thinking that what will happen in China is very much going to be affected by what Japan and the United States are going to do to China as well. In other words, it's not simply internal conditions generating their own dynamics within China that will have an impact on the international relations of the region. But rather, the process is going to be interactive, so that it is going to be impossible, theoretically, to cut the slice and say that this side is the dependent variable and the other side is the independent variable. Although as observers, we would tend to give more emphasis to one or the other factor.

But, for the time being, I think for Korean foreign policy makers, it is extremely important to keep focused on all four capitals, to continue to see the interaction among them, and see how even small differences may affect conditions in other countries so that over the long run, large consequences may follow from such small differences that are visible only to the experienced eye, at this early point. In time, Korea's difficulty is that we are on the receiving end of the geopolitics. Professor Kennedy himself suggested this when he said our life would be so different if we could take the Korean peninsula and tow it away to somewhere in the Southern Atlantic or in the Pacific. That is why we need to watch out and be prepared to cope with whatever changes that will come about and try to minimize the damages that those changes can do to us.



Finally, on the long-term global perspective, I don't really have much to say. I have read your recent book, 『Preparing for the Twenty-first Century』 with a great deal of interest. I learned a great deal but I also felt at the same time, I must confess, there was a trace of Malthusian pessimism, if you will. And like all other versions of Malthusian imagination, your argument seemed to have a tendency to pick out certain trends and then fix on them so much so that if you project these trends into the next century, tragedy is bound to occur. A medical scientist once told me, if you feed a mouse spinach, nothing but spinach, cancer will most likely develop in the mouse. In other words, if one identifies any single trend at this point in time and project it into the next century without fully taking into account the interactions between that trend and other trends, even those trends that we are not able to identify with our limited imagination, then you are certainly going to end up with a Malthusian scenario. So that was what bothered me a little.

In concluding, I would like to throw a question which I regard as a fundamental, long-term question. We have taken note of the rise of China. In terms of relative balance of power, this change is taking place for the first time in 500 years. Modern history was nothing if not a history of the rise of Europe, of the ascendancy of the West, and at the same time, the decline of China and the decline of East Asia as a whole.

That major secular trend, which persisted for the last 500 years, is on the verge of being reversed. Relatively, power sources are shifting back to East Asia. I don't know how far this trend will go. Maybe it will be remembered as a transitory moment in history. Maybe it will become an irreversible, large

secular historical trend of the kind that we witnessed in the last few hundred years in terms of the ascendancy of the West.

My question is, if China and East Asian countries continue to rise as major advanced technology-oriented industrial powers, and if China should come to threaten to become not only a regional superpower, a possibility noted in the presentation, but a global superpower, able to and quite willing, in fact, to offer a strategic challenge to the United States, what will happen? Will the West be prepared to accept this shift of power? Will the West be psychologically prepared to accommodate this development? Can the West live with China as a superpower?

George Kennan once said that for a government, the problem in international relations is that there are other governments. If you are a government, you don't want other government's possessing the sovereignty which gives them the power to say no to you. And when East Asian nations begin to say no to Washington, what will the world be like? And I'm mindful of the fact that throughout history, greatest dangers occurred when there were major shifts in the balance of power. And yet, in the long run, I'm hopeful, I keep my fingers crossed, that East and West in the new context, not of the cold war East and West, but the real East and West will find a modest answer, an arrangement for peace which distributes influence in accordance with their real power resources. Thank you.

**Q** Dr. Kihwan Kim (Chairman of the Korean National Committee for Pacific Economic Cooperation)

I would like, first of all, to join Dr. SaKong and Ambassador

Kim in complimenting Professor Kennedy for his excellent presentation this morning. We all know that Professor Kennedy enjoys literally the world-wide reputation of being a profound thinker and an articulate speaker. His presentation this morning has reinforced this reputation.

I am particularly grateful to Professor Kennedy for the very clear manner in which he has identified the challenges that Korea must meet on the three different levels: immediate, intermediate and long run. The taxonomy he has used to discuss the challenges facing Korea has greatly helped me organize my own thoughts on the subject. Likewise, I do not have questions relating to this methodology. I only have questions regarding the substance of the challenges he has outlined.

In discussing the challenges facing Korea immediately, Professor Kennedy has noted two challenges: the critical need to deal with North Korea on the nuclear issue and the unavoidable task of minimizing trade friction with Korea's trading partners.

My first question relates to trade friction. In order for Korea to effectively deal with trade friction in the years ahead, Korea should know the precise nature of the trade friction it will encounter. For this reason, the question I pose to Professor Kennedy is this: What will be the nature of trade friction Korea will face over the next several years? In other words, what will be the source of friction? Protectionism in industrially advanced countries? Macroeconomic imbalances between Korea and its major trading partners? Or simply the rapid expansion of Korean exports? Will it be any different from the trade friction it experienced in the second half of the 1980s? In looking back,



most of the trade friction Korea experienced in the mid-1980s stemmed from the macroeconomic policy mismatch between Korea and its principal trading partners, particularly the US, as well as the industrial policy that Korea had pursued in the 1970s. Will Korea's trade friction in the years immediately ahead be any different?

My second question relates to the political adjustments Korea must make with the major powers impinging directly on Korea in the intermediate run. Professor Kennedy notes that for Korea, the major powers that matter most in this time frame are the US, Russia, Japan and China. Of these, in Professor Kennedy's opinion, China is the most problematic. The US is very predictable, Russia simply has too many internal problems to make a difference in Korea's future, and Japan will be incapable of exerting much influence on Korea because of its economic difficulties stemming from the "bubble economy" and political impasse at home.

The question I ask Professor Kennedy is: If China is likely to present the most critical challenge to Korea in terms of adjustment in power relations, what is the basic cause? Put differently, will China present a challenge to Korea because China will succeed or because it will fail with its economic development?

My third question relates to the sources of global threat to Korea's continued economic and social progress. Professor Kennedy has observed that there will be a demographic-technological "fault-line" that is most likely to erupt in the face of all countries including Korea in the 21st century. Frankly

speaking, I am not sure this metaphor is entirely appropriate. If something is akin to a fault-line, it is bound to cause an eruption or an earthquake at some time in the future. Is there any valid philosophical reason to believe that the future of humankind will be as deterministic as a geological fault-line?

My fourth question has to do with the nature of Professor Kennedy's prognosis of the future. I can well understand the primary role of a scholar in society. Ambassador Kim has told me once in an informal group that the primary role of a scholar is to warn society about problems it is likely to encounter in the future unless it mends its ways. The primary role of a lawyer is to fix a problem after it has occurred, for a fat fee. But a society, if it is going to function at all, also needs something else, namely a vision regarding its future possibilities. It may be said that it is the role of a politician to provide this vision. Assuming that these observations are valid, the question I ask is this: Will Professor Kennedy be kind enough to suggest a kind of scenario for the 21st century that can be a source of hope rather than unmitigated alarm for the benefit of the politicians if no one else?

My last question is a bit personal. Professor Kennedy's latest book is very much inspired by the insight of Thomas Malthus. In fact, at one point, Professor Kennedy does not hesitate to characterize Malthus as a sage of the 18th century. If my memory is correct, the academic affiliation of Parson Malthus was with Cambridge. Thus, my question is: how can an outstanding scholar trained at Oxford so unabashedly identify himself with someone nurtured by the Cambridge tradition?

I look forward to Professor Kennedy's replies. Thank you.

**Q** Dr. Il SaKong

By taking advantage of being Chairman, I would like to take this opportunity to add one very simple question to the comments and questions posed by the two excellent commentators. My question is actually quite similar to what Dr. Kim just raised. In simple terms, are you optimistic or pessimistic about the coming twenty-first century? There are some well-known thinkers nowadays that have declared the end of history. On the other hand, some people talk about the end of laissez-faire and some people come up with quite pessimistic conclusions. On the other hand, some people come up with very optimistic conclusions. So, I would like to ask whether you take the optimistic view or pessimistic view even though you did suggest the fault-lines which come to mind the pessimistic side. Thank you.

**A** Professor Kennedy

Thank you. Those are very good and very different questions. To try and answer briefly, let me reply to the last two questions immediately, then come to the other one. I am conditionally optimistic. That means I believe that we human beings are sometimes very lazy, we are rooted in traditional ways of thinking and operating. We have traditional types of gridlock politics, that is, in Washington, or in Seoul, or in Paris. There are many human obstacles to prevent us from reforming and changing, which intelligence tells us we have to do.



The point about my references to Thomas Malthus in my new book was when Malthus wrote his pessimistic essay on population 200 years ago, he didn't see that there were other variables of human technology, of ingenuity which would affect his forecast and my attitude to our global issues especially the fault-lines between rich and poor. It is not to say the clash between rich and poor is inevitable but to put the question, what can we do to solve those challenges? What can we do with our human ingenuity to get around these problems before they become too difficult and overwhelm us? But this hope that we can do something is conditional because it depends upon sufficient number of intelligent human beings recognizing the need for change, persuading their own governments to change.

This, of course, leads on, in a related way, to the question about internal restructuring in theory, in economic theory. It seems easy to tell French wheat farmers and Japanese rice farmers and Korean rice farmers that "you must change because global trends are going against you". But what is easy in economic theory is not easy in political practice, because you offend people who wish to cling to their traditional way of life. And yet if we cannot persuade different sectors to change, then we should not be surprised at the mounting tensions between poor countries and rich countries. If the food exporting nations of Africa and Latin America cannot get access to Eastern markets because French farmers oppose imports, or cannot get access to Korea because Korean farmers oppose imports, that builds up problems which will come back and hurt us in a decade's time or two decades' time.

Where I see the most cause for hope is in countries which are trying to achieve change but also internal restructuring and

understanding. It's usually a society which has allowed, to some extent, a younger generation of policy makers, of businessmen, of thinkers, to come to the fore. I think you know the ones I am referring to. If you go to Mexico, for example, which is undergoing tremendous change, there you have a political leadership of younger, university-trained statesmen, who realize they have to persuade their country to restructure. If you go to Turkey, again, you see the same phenomenon or if you go to Chile. I see good signs of that in Korea and in all of those countries, I'm reasonably optimistic. When I see older traditional elites, political elites scared of offending fixed interests, in Japan and in France, then I'm worried about the future because there is less human willingness to meet our challenges.

I was challenged, rightly challenged, that scholars need to provide vision for the future. My intention in writing the book, 『Preparing for the Twenty-First Century』 was to try to lay out the global challenges, as clearly, and as strongly as I could in order to provoke debate, in order to get people talking and criticizing. And then my plan was to write a follow-up book which would try to think, first of all, of a vision, a unifying human ethic or what the wonderful German theologian, Hans Khun, calls a global ethic. What is it that unifies all human beings whatever their language, whatever their culture, whatever their beliefs plus, a set of reform measures or as Dr. Kim says, mechanisms for improvement and for change? I was planning to sit down this year and write that vision, that book. In August 1993, my institute at Yale was asked if we could undertake something to help prepare the United Nations for the twenty-first century. And so for the next two years, I'm engaged on

a very practical project of trying to reform the United Nation's system before I come back to write the book about the vision and about the possibilities.

But I don't want to give the impression in this audience, that there are no possibilities. There are wonderful new technologies which can help our global society. There are much better and more sophisticated ways of giving development aid to Africa and South Asia than we did. There are much better ways of creating international organizations to help our global problems. There are solutions if human beings are willing to debate and discuss these issues. If we can keep these issues of preparing for the twenty-first century high on the agenda of our political leaders, we have a chance to do something positive. So, I remain conditionally optimistic.

**C** Dr. Il SaKong

Well, thank you very much for the optimistic note. I'm sure everyone here is looking forward to getting your new book sometime soon.

**Q** Amb. Raymond Wong (Singapore Ambassador to Korea)

I would like to repeat Dr. Kim Kyung-Won's question about how the West and the United States will respond to the challenge that China might pose.

**A** Professor Kennedy

Again, I get very good and strong questions. As I said, I'm



not an expert on North Korea and it is difficult to forecast its future. I find it hard to believe that that system will continue for very long, given the serious economic and domestic conditions. I think with the change of leadership, we might see very significant internal changes. But to repeat, I am not an expert on that issue. We just have to watch with great concern and great diligence.

I am glad that my questioner returned to the issue of how will the West and in particular, the United States contemplate the rise of China to be a much more significant influence on world affairs, possibly a direct challenger to the United States as number one. It is fair to say that only a few intellectuals, only a few scholars in America are even thinking about this at the moment. The United States is not very good, in my view, in thinking about the long-term. And, it has very strong traditional ways of thinking which means that it's difficult for many Americans to comprehend that we might be at this major turning point in history, that it is at the end of 500 years of Western occidental domination within a few decades of a significant shift in the other direction.

A common assumption in the West, particularly in the United States is that the rest of the world is becoming more like the West or like America. And the evidence of new communications on youth culture or blue jeans or sending your young scholars to American universities in a way only confirms that American assumption that the rest of the world is imitating it. And so, the deepest challenge to the United States in the next few decades is, I think, not so much a foreign policy challenge, not so much an economic challenge though they are considerable. The greatest challenge to the United States' way of thinking is

psychological. Can it actually believe there are tides of history which are turning in the direction of another culture, another system? I don't think the United States is ready for that. I hope that the development which we talk about is a reasonably gradual and peaceful one which will enable Americans and Europeans, over time, to slowly recognize what is happening. If it comes too swiftly, too dramatically, I think there would be a danger of over-reaction through misunderstanding.

The difficulty of a fourth wave or a fifth wave on concepts of a new industrial world is that we simultaneously live in societies where some inventors and some companies are creating a future post-industrial world while there are other parts of our societies who still want to manufacture things, grow rice in a very traditional way. We haven't thought through a good mechanism for reconciling our traditional habits with our brand new technology and ways of organizing societies. It will be painful. Some will be winners, others will be losers. We see that in this society. In Korea today, in the past thirty years, there have emerged, some of them are in this room, what I would call winners in history. But there are also in Korea many losers of the process of modernization and change and we know it.

Finally then, to come back to the issue of how to explain whether one should be optimistic or pessimistic, it is, I have to be very very simple here, otherwise we'll take all morning. In the middle of the Cold War, in the United States defense department in the Pentagon, the key question was which way was the Soviet Union going? Is it getting stronger? Is it getting more competitive? Is it stagnating or getting weaker? There's a

special office in the Pentagon called the Office of Net Assessment.

It tries to access overall balance of power. And what the planners there did was to say, well, what are the signs we should look for that indicated the Soviet Union is getting stronger? And, what are the signs that it is getting weaker? If the signs are showing that the Soviet Union needs to be importing wheat each year, that shows its agriculture is stagnating and getting weaker. If there are signs it's building lots of more new railway systems, it has lots of capital and is getting stronger. We will adjust our forecasts of the future of the Soviet Union each year depending upon the new data.

So my reply to the question about am I optimistic or am I pessimistic about the future of the world can be put in the same methodology. If each year we learn that global fertility rates dropped from an average of 3.2 to 3.1 to 2.9, these are indicators that we have a chance of dealing with the population explosion. If each year we learn that more countries have become democratic and have leaderships which are dealing with their domestic problems, that's a sign to be more optimistic. If each year more countries are switching money from defense spending to education spending, that is another wonderful indicator that things are going right. On the other hand, if you learn that more and more of internal China is turned into desert, that there are more and more millions of peasants drifting around the countryside, that there are greater pressures upon the watering sources and the grazing lands of north Africa, if you learn that there are more right-wing parties gaining popularity in Russia, in France, in Germany, in Austria, then you have to adjust and become more pessimistic.



The only way you can think about the future is not to assume that you have the correct forecast. What you have to do is create an intelligent monitoring system and make your adjustment, like the Office of Net Assessment, according to the real world and the changes in the real world. I think we have seen in the past few years more signs to be optimistic than to be pessimistic. But we have to continue to modify our forecasts according to real data and real intelligence, if we have a chance to carry out sensible policies to prepare ourselves for the future.

Thank you very much.

