

GSTF Annual Conferences

- **Education & e-Learning**
- **Human Resource Management and Professional Development for the Digital Age**
- **Political Science, Sociology and International Relations**

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INTRODUCTION AND WELCOME

On behalf of Global Science and Technology Forum, I am delighted to welcome delegates to the 2011 combined conferences on Education & e-Learning; Human Resource Management and Professional Development for the Digital Age; and Political Science, Sociology and International Relations.

I am delighted to once again be back in Singapore and to acknowledge the excellent organisational skills of my colleague Adjunct Professor Anton Ravindran, President and CEO of Global Science and Technology Forum, and GSTF staff. We are committed to ensuring that your combined conferences achieve its aims and add to the academic and practical knowledge in these exciting fields.

Naturally with my background in politics, international relations and education, each of the conference themes is of particular interest to me.

As I have recognised throughout my parliamentary and academic careers and more recently as Chief Executive of the Committee for Economic Development of Australia (CEDA), the application of modern technology in education and human resource management and current issues in world politics and international relations are areas that increasingly play vital roles in our every day lives.

But I hope those of you with interests only in some of these themes will forgive me if my remarks today are very much directed about politics and

international relations. Once it is in your blood, it is very hard not to take a passionate view of these matters, even though the views might be more objective the longer you are away from direct political activity.

And politics and international relations are critical issues because of the direct influence on and ability to be influenced by economic circumstances in the world.

As we sit here in these wonderful surrounds, you cannot help but reflect on the nature of today's political world. A quick reflection will illustrate this point.

In the Arab world, notably Libya, Egypt and Yemen, despots have been deposed, killed or put on trial. This is 'The Arab Spring'. Democracy is supposed to have been instituted. But this lofty ambition has not stopped rival factions based on differing interpretations religious ideology from pursuing murderous acts of revenge. Elections, freedom of assembly and speech and human rights have been the hallmark of the promises made by new regimes. But concerns surrounding the form of Islam that these new democracies might pursue have been raised, not only amongst the liberated population of the countries themselves, but also by the liberating nations, such as those reflected through NATO.

Sadly, in other countries in the region such as Syria, the heavy hand of incumbency has been brought down hard on any dissidents.

The world waits with high expectations to see if The Arab Spring begets a truly new democratic beginning.

The West, for all its political and economic might, is currently undergoing profound change. The US economy is on its knees, crippled by debt levels others could only mention in hushed whispers. The political system appears paralysed, with Republicans out to destroy the Obama presidency at any cost, and even some Democrats similarly so disposed.

A tangible example of this is reflected in the upsurge of demonstrations and protests. The fall-out from the GFC is still very much in the minds of the participants involved in Occupy Wall Street, not to mention the Pope and the Vatican, seeking to blame business and corporate greed for all the ills of the world. And the influence of this group is spreading to other cities like San Francisco and other countries, even to Australia.

It is interesting to observe that these dissident voices have generally found a home in Australia in the form of The Greens, a far left-leaning political party that has the balance of power in the Australian Senate¹. In other countries this has not necessarily been so, although in some cases the seeds have been sown.

Unlike Australia, the US for example went through a recession from which it has not yet recovered. Unemployment is at 9.1 per cent. An uncomfortably large proportion of Americans who managed to get a job operate in substandard conditions. The federal minimum wage is \$7.25 an hour and its real value has halved since its historical high in 1969. Australia's wage, health and welfare systems are far more generous.

It can be argued that the fact that the American protests began in Wall Street made absolute sense because the ungrateful, insensitive, greedy response of the US financial sector to the public bailouts of 2008-09 was 'contemptible'.

Also since the American political system has ground to a halt the challenges of a world in which China and India are taking off are proving too much for the Republicans and Democrats. As a consequence, the Tea Party has emerged on the on the right and the Occupy Wall Street movement on the left. These groups carry the same message of condemnation of mainstream political and economic activity. Both start from the same point of resentment at government bailouts of big business.

And what of Europe? Well, who knows?

¹ Shaun Carney *Occupying a Green Space* The Age, 26 October 2011

As Australia's Foreign Minister Kevin Rudd noted at the recent CHOGM Meeting in Perth, the European sovereign debt crisis is at a critical stage and contagion could have major global repercussions, from which few economies would be immune². He indicated that European policy-makers should consider several elements of a substantive response to the crises:

- The restructure of Greek debt given the markets' doubts about its ability to repay its international creditors when public debt is approaching 200 per cent of GDP.
- The recapitalization of various European Banks whose balance sheets are severely impacted by such a restructuring.
- Then, as Gordon Brown has argued, agree on a necessary pan-European backstop to deal with any national liquidity (as opposed to solvency) question that might arise down the track; and
- Dealing with the long term competitiveness challenges across various Southern European economies, either within the framework of the single currency of the Eurozone or beyond it.

Rudd concluded that without addressing the competitiveness challenge no financial stability mechanism will be sustainable in the long run.

Subsequent to these remarks, it appears that a solution had been found. But it was a solution that relies on increasing the bail-out through the European Financial Stability Fund to Euro 1 trillion, persuading Greek government bond holders to accept half of what is owed and European banks agreeing to substantial capital raisings. It is anticipated economies like China will play a substantial part in this process, although cautiously.

East. West. How the world has changed! Reverse economic colonialism?

Of course this did not consider that the Greek Government would subsequently decide to hold a referendum on the proposed measures! Share markets continue to rally and fall on each passing day's indecision. And the

² Hon Kevin Rudd *The Australian Economy: National Economic Resilience in the Midst of Global Economic Volatility* Speech delivered at CHOGM, Perth, 25 October 2011

implications go well beyond Greece and indeed Europe itself. The latest indication is that the Greek Government has been forced to back down on the referendum plan following the threat of immediate withdrawal of funds from Germany and France, and that country's removal from the EU.

It is therefore not surprising that governments around the world have pondered whether the future of the Euro, and the European Union itself, is in question. Even the UK Prime Minister has had problems keeping his own back-bench on-side to continue to support that country's membership of the EU. It is a matter of wait and see. But the ability of Europe to again present a united geo-political force to balance the once undeniable position of the US must be in question.

But there is another story, a story of economic and political change that is re-shaping the very nature of the world's geo-political axis. And it is a story very much based on economics.

This century has been dubbed "The Asian Century" and for very good reason. What we are currently witnessing is the rise and rise of China, and India on a steep upward path, and other economies such as Singapore, Indonesia, Vietnam, Malaysia, Japan and Korea either building on past success or quickly learning the ways to economic efficiency and productivity and reflecting this through higher standards of living.

Of course, politics would not be politics without an occasional outburst of West versus East rhetoric. Let me comment briefly on two of the major players to illustrate my point.

China is rapidly becoming the economic superpower of the world. Since Premier Deng Xiaoping put it on the path to economic superstardom, it has defied gravity with annualised growth rates, urbanisation and the growth of the middle class. Yet this has not stemmed the flow of constant debates that rage incessantly about slowing down of the economy, whether these growth rates are sustainable, the value of the Chinese currency, the size and result of

military expenditure, the proposed outcome of the latest five year plan, the personal style of the next President and the future of its political system.

The Economist magazine recently ran a large review on India³. It indicated that India is perceived by freedom loving capitalists as an antidote to the authoritarian capitalism that China presents. It noted that some believe with the Western way of doing things under siege, India's rise offers a dollop of reassurance to anyone who believes in the combination of democracy and capitalism. These people describe it as a superpower-in-waiting. However the Economist offered a note of caution about this perception, stating this view is a delusion since the political class writes its own rules.

Notwithstanding such comments on China and India, there is no escaping the fact these two economies are driving the 'Asian Century'. In political terms, they play increasingly important roles through forums such as the United Nations. They and other economies in this hemisphere are changing the game plan through APEC and AEF. International relations are being redefined, and the old East-West paradigm and perceptions of it totally and fundamentally be realigned.

In Australia's case, old world politics have been replaced by a clear, determined and unambiguous integration of our country with our neighbours to the north. This was nurtured under previous Governments led by Bob Hawke, Paul Keating and John Howard. Economics has dictated that this be so, but the profound shift in what this has meant for Australia's future and the political relationships generated with our Asian neighbours has been substantial. Australia is located strategically at the right time and place in world history, as the centre of world economic gravity shifts emphatically to the Asian region.

A further illustration of this was the recent announcement by the Gillard Government that it would commission a White Paper on Australia's enmeshment with Asia. Clearly this will highlight economic relationships, such as the continuing insatiable demand for Australia's resources by countries such

³ *Building India Inc* The Economist 22 October 2011 p.13

as China and Japan. While it is proper to do so, a substantial emphasis will be on these two economies as they are ranked one and two as Australia's principal trading partners.

However concerns that over time commodity prices may soften, that demand for our mineral wealth may slacken and that other Asian economies are developing at a rapid rate must dictate that the White Paper focus on other issues as well. Questions related to food security, environmental improvements, national security, services industries and opportunities in the so-called emerging and developing economies must all be considered as part of this study.

The world in 2011 is indeed a very different place. Geo-politics and international relations have been redefined, spheres of influence changed amazingly, and the old world order in economic terms in need of resuscitation.

GSTF is rightly delighted to provide this forum for such discussion. Over several years now, we have provided opportunities for distinguished and highly-qualified academics and practitioners in economics, information technology, education and politics, to name a few, to come together and to seek out new and innovative ways to manage the economic and technology challenges facing our world. By publishing material from these conferences in several journals we seek to ensure such research is widely available to stimulate further thinking in these critical areas.

I would like to encourage you all to stay involved with GSTF, particularly through membership. Your contributions are not only invaluable for GSTF, but in ensuring solutions to the problems confronting an ever-changing world can be proposed and implemented.

Let me conclude by again welcoming you all to these important conferences and wish you well with your deliberations. I will look forward to reading the results of your discussions.

Thank you.