

THE ASPEN INSTITUTE

ASPEN IDEAS FESTIVAL WELCOME AND CONVERSATIONS

WALTER ISAACSON

Aspen

Sunday, June 26, 2016

LIST OF PARTICIPANTS

WALTER ISAACSON
President and CEO, The Aspen Institute

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WALTER ISAACSON

MR. ISAACSON: Thank you very much. I'm Walter Isaacson, and it's my pleasure to be among those welcoming you to the Aspen Ideas Festival of 2016. At the Ideas Festival, we like to talk about big ideas and especially on a night like tonight when there are so many big ideas to talk about.

But as someone who has straddled the border between being a journalist and writing history, I know that when you're up close it's often hard to see what the big ideas really are. I mean back in 1968 when so much was happening with Martin Luther King and Bobby Kennedy and the '68 convention, *Time Magazine* had to pick a person of the year and it ended up picking the people who had circled the moon because they thought that would end up being the most important thing that happened that year.

They were phenomenally wrong. Nobody noticed, but at exactly that time in California somebody had figured out how to etch a processing unit of a computer onto a chip of silicon. Somebody else was putting together networks that would inter-network the various package switch networks and that became the Internet. And that combination in '68 of the Internet and the microchip, the microprocessor ended up really affecting the world a lot more and nobody saw it.

When this institution was founded in 1949, it was a similar moment. On this very spot in a tent almost like this, probably not as colorful, Albert Schweitzer kicked off the Aspen Institute. He did so as a global citizen who cared very much about global health. And at that moment an era of globalization was being born.

There was the Bretton Woods agreement that created things like the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade that had become things like the WTO. There was NATO that was invented the year and which helped take defense away from being a national thing to being a multinational project. Globalization spanned, included the Marshall plan that led to the Schuman plan for France and Germany

to become an economic union and eventually the EEC and the European Union.

So that was the birth of globalization almost 70 years ago, and the age of globalization worked well from those 70 years. But the big idea we are facing today and this year as we just heard is that this is the end of the age of globalization. We've seen the spasms that came out of Brexit, but we're also seeing it from standing in the Baltics all the way to Manchester, England and Manchester, New Hampshire. We are seeing the rise of nationalism and nativism in places like Hungary, Austria, even France, Germany and even the United States.

And the pillars of the age of globalization were threefold: a belief in free markets that included free trade, of the free movement of goods and services; immigration; and an optimistic view of technology. All of those pillars have now been shaken and we have the rise of nativism, we have the rise of nationalism. And we sometimes blame it on bad political systems or whatever.

But I think the problem went even deeper. And the big idea here is that we have to figure out how at the end of the age of globalization we're going to bring back some of those values that started 70 years ago. And those values really depend on understanding that the prosperity that came from an age of globalization has to be shared equally and equitably.

That's what Christine Lagarde said just a few moments ago, that we have to have an inclusive form of capitalism. Because even if all of the tenets of free movement of goods and services and free trade and free minds, all of the tenets of globalization end up creating more global wealth, we've just noticed that it doesn't sustain itself if people feel that they were left out.

And whether it's a shipbuilder in Sherborne who no longer has a shipyard to go to or the Maytag plant worker in Keokuk, Iowa who no longer has a Maytag plant to go to, these are the people who are rejecting this era of globalization. And we have to realize that it wasn't just bad news or bad journalism or people who don't like facts

that did it. It was actually real, that this era of globalization increased inequality and gutted a working middleclass across Europe and across the United States.

So if we are going to try to restore the notion of the values there, we have to dedicate ourselves to the type of globalization in which everybody gets to participate. Instead of having the rewards of a global economy go to the top one percent, we have to use it to rebuild infrastructure -- rebuild infrastructure so that we would have great rail systems, great investments in our air traffic, great investments in our ports so that we would have a return on that investment, but also so that people would be put back to work.

We have to look at the lens of putting people back to work. We have to do things like use the proceeds of a great global economy to build a world-class K through 12 education system again. United States used to have the best. Now we've let it drop to 17th best because we didn't invest the proceeds of a global economy into it. Worse yet, that K through 12 system split. So that people in this room and people who were beneficiaries of the global economy, they got to send their kids to good schools, whereas the person in Keokuk who no longer had the job at the Maytag plant or in the inter-city, they had best got mediocre or poor schools.

So the big idea for me is that we have to have a rebirth of a belief in free markets, free reminds, free trade, but we have to do it by making sure that every day we think how is that going to help somebody get a good job at good wages and feel they are a part of this new economy. Thank you.

(Applause)

MR. ISSACSON: It is now, as it has been for 40 years or so, my great pleasure to introduce my friend, our partner David Bradley, the proprietor of Atlantic Media Company.

(Applause)

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