



MAY 16, 2013

TWELFTH ANNUAL
STAVROS NIARCHOS
FOUNDATION LECTURE

GLOBALIZATION, MULTIPOLARIZATION AND CURRENCY WARS:

THE IMPERATIVE OF SYSTEMIC REFORM

C. FRED BERGSTEN

SENIOR FELLOW AND DIRECTOR EMERITUS
PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS



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About

THE STAVROS NIARCHOS FOUNDATION LECTURE SERIES

The annual *Stavros Niarchos Foundation Lecture Series* at the Peterson Institute was established in 2001 through the generous support of the Stavros Niarchos Foundation. The Series enables the Institute to present a leader of world economic policy and thinking for a major address each year on a topic of central concern to the US and international policy communities. The Series' inaugural lecture was delivered by Alan Greenspan, former chairman of the Federal Reserve Board, in 2001. The list of subsequent speakers includes Ernesto Zedillo, former president of Mexico, in 2003; Lawrence H. Summers, former director of the White House National Economic Council, in 2004; Long Yongtu, former vice minister of China's Ministry of Foreign Trade and Economic Cooperation, in 2005; Mario Monti, former Prime Minister of Italy, in 2006; Heizo Takenaka, former minister for economic policy of Japan, in 2007; Petr Aven, former president of Alfa Bank, in 2008; Nandan M. Nilekani, former co-chairman of the Board of Directors, Infosys Technologies, LTD, in 2009; Dr. Niall Ferguson, Laurence A. Tisch Professor of History, Harvard University, in 2010; John Lipsky, former first deputy managing director of the International Monetary Fund, in 2011; and Jean-Claude Trichet, former president of the European Central Bank, in 2012.

The Stavros Niarchos Foundation (www.SNF.org) is one of the world's leading international philanthropic organizations, making grants in the areas of arts and culture, education, health and medicine, and social welfare. The Foundation funds organizations and projects that exhibit strong leadership

and sound management and are expected to achieve a broad, lasting, and positive social impact. The Foundation also seeks actively to support projects that facilitate the formation of public-private partnerships as effective means for serving public welfare.

From 1996 until today, the Stavros Niarchos Foundation has approved grant commitments of \$1.36 billion (€1.03 billion), through 2,470 grants to nonprofit organizations in 109 nations around the world. Excluding the Stavros Niarchos Foundation Cultural Center (SNFCC), the Foundation's funding is equally divided between grants in Greece and international ones.

The Foundation, concerned with the continuing socio-economic crisis in Greece, announced in January 2012 a new grant initiative of \$130 million (€100 million) over the next three years, to help ease the adverse effects of the deepening crisis. Since then and as part of the initiative, the SNF has committed grants totaling \$75 million (€58 million) in support of numerous not-for-profit organizations around the country.

The Foundation's largest single gift (\$796/€566 million) is the Stavros Niarchos Foundation Cultural Center (SNFCC) in Athens. Construction work at the site is already in progress. The Stavros Niarchos Foundation firmly believes that the project is of national importance, even more so under the current socio-economic conditions. It remains a testament and a commitment to the country's future, at a critical historical juncture. It is also an engine of short- to mid-term economic stimulus, which is essential under the current circumstances.

Program

5:00 P.M. **WELCOME**

Adam S. Posen, *President, Peterson Institute for International Economics*

Andreas C. Dracopoulos,
*Director and co-President,
Stavros Niarchos Foundation*

Peter G. Peterson, *Chairman, Peterson Institute for International Economics*

LECTURE

C. Fred Bergsten, *Senior Fellow and Director Emeritus, Peterson Institute for International Economics*

DISCUSSION

6:30 P.M. **RECEPTION**

In the Anthony M. Solomon Sculpture Garden

7:15 P.M. **DINNER**

8:00 P.M. **REMARKS**

In honor of C. Fred Bergsten's Career & Contributions

The Honorable Carla Hills,
former United States Trade Representative and Secretary of Housing and Urban Development

The Honorable Lawrence H. Summers, *former Secretary of Treasury and Director of the National Economic Council*

The Honorable Paul Volcker, *former Chairman of the Federal Reserve and the President's Economic Recovery Advisory Board*

The Honorable Robert Zoellick, *former President of the World Bank and United States Trade Representative*

Chair: The Honorable Peter G. Peterson, *former Secretary of Commerce*

9:00 P.M. **CLOSING**

Adam S. Posen, *President, Peterson Institute for International Economics*

Peter G. Peterson, *Chairman, Peterson Institute for International Economics*

About

C. FRED BERGSTEN

C. Fred Bergsten, senior fellow and director emeritus, was the founding director of the Peterson Institute for International Economics (formerly the Institute for International Economics) from 1981 through 2012. He is a member of the President’s Advisory Committee on Trade Policy and Negotiations, a member of the Advisory Committee to the Export-Import Bank, and co-chairman of the Private Sector Advisory Group to the United States–India Trade Policy Forum, comprising the trade ministers of those two countries.

Dr. Bergsten was assistant secretary for international affairs of the US Treasury during 1977–81. He also functioned as undersecretary for monetary affairs during 1980–81, representing the United States on the G-5 Deputies and in preparing G-7 summits. During 1969–71, starting at age 27, Dr. Bergsten coordinated US foreign economic policy in the White House as assistant for international economic affairs to Dr. Henry Kissinger at the National Security Council.

Dr. Bergsten was chairman of the Eminent Persons Group of the Asia Pacific Economic Cooperation (APEC) forum from 1993 to 1995, authoring its three reports that recommended “free and open trade in the region” as adopted at the APEC Leaders’ summits in 1993 and 1994 and now being pursued through the Trans-Pacific Partnership. He was chairman of the Competitiveness Policy Council created by the Congress from 1991 through 1995. He chaired the “Shadow G-8,” comprising top economic and foreign policy experts from the G-8 countries, which advised those governments on their annual summits during 2000–2005.

Dr. Bergsten has authored, coauthored, edited, or coedited 41 books on international economic issues including *The Long-Term International Economic Position of the United States* (2009, designated a “must read” by the *Washington Post*), *China’s Rise: Challenges and Opportunities* (2008), *China, The Balance Sheet: What the World Needs to Know Now about the Emerging Superpower* (2006), *The United States and the World Economy: Foreign Economic Policy for the Next Decade* (2005), and *The Dilemmas of the Dollar* (2d ed., 1996). His latest *Policy Briefs* for the Peterson Institute are “Currency Manipulation, the US Economy, and the Global Economic Order” (December 2012) and “The Coming Resolution of the European Crisis: An Update” (June 2012). His latest of 18 articles in *Foreign Affairs* (the second most by any author) was “Why the Euro Will Survive: Completing the Continent’s Half-Built House” (September/October 2012). His recent op-eds include “Five Myths about the Euro Crisis” (*Washington Post*, September 2012), and “Time for a Fightback in the Currency Wars” (*Financial Times*, September 2012).

Dr. Bergsten has received the Order of the Polar Star from the Government of Sweden (2013), the Legion d’Honneur from the Government of France (1985), the Exceptional Service Award of the Treasury Department (1981), and the Meritorious Honor Award of the Department of State (1965). He has been named an Honorary Fellow of the Chinese Academy of Social Sciences (1997) and a Global Advisor to the President of the Republic of Korea (2009). He received MA, MALD, and PhD degrees from the Fletcher School of Law and Diplomacy, and its Distinguished Alumnus Award in 2010, and a BA magna cum laude and honorary Doctor of Humane Letters from Central Methodist University.





About

THE PETERSON INSTITUTE

The Peterson Institute for International Economics is a private, nonprofit, nonpartisan research institution devoted to the study of international economic policy. Since 1981 the Institute has provided timely and objective analysis of, and concrete solutions to, a wide range of international economic problems. It is one of the very few think tanks that are widely regarded as “nonpartisan” by the press and “neutral” by the US Congress. Its research staff has been cited by the quality media more than that of any other such institution. It was voted “best think tank in the world” in 2008 by the first global survey of over 5,000 such institutions and again in 2011 by the British magazine *Prospect*, whose selections are called “the Oscars of the think tank world” by the BBC.

The Institute attempts to anticipate emerging issues and to be ready with practical ideas, presented in user-

friendly formats, to inform and shape public debate. Its audience includes government officials and legislators, business and labor leaders, management and staff at international organizations, university-based scholars and their students, other research institutions and nongovernmental organizations, the media, and the public at large. It addresses these groups globally from its base in Washington, DC.

The Institute’s staff of about 50 includes 30 senior researchers, all distinguished for their combination of research productivity and policy experience. The Institute’s agenda emphasizes global macroeconomic policy, international finance and exchange rates, trade and investment, energy and the environment, and area studies of key economic regions. Institute staff and research cover all key regions—especially Asia, Europe, Latin America,

and the Middle East, as well as the United States itself and with special reference to China, India, Korea, and Russia.

Current priority is attached to the global financial and economic crisis and especially its European component; debt and recovery; the growing role of China in the world economy; the economic dimensions of the Arab Spring; globalization and its political controversies; global imbalances and exchange rates; national and international financial regulations; export competitiveness; reform of the international economic and financial architecture; sovereign wealth funds; and trade negotiations at the multilateral, regional, and bilateral levels.

Institute studies have helped provide the intellectual foundation for many of the major international policy initiatives of the past three decades: reforms of the International Monetary Fund (IMF),

including those initiated by the G-20 in 2009–10; adoption of international banking standards and broader financial regulatory reforms; the Asia Pacific Economic Cooperation (APEC) forum and Trans-Pacific Partnership; the restoration and then extension of trade promotion authority in the United States; the development of the World Trade Organization; the North American Free Trade Agreement (NAFTA) and other US free trade agreements (including with Korea notably); initiation and implementation of the Strategic and Economic Dialogue between the United States and China; a series of United States–Japan negotiations; reform of sanctions policy; liberalization of US export controls and export credits, and specific trade issues such as permanent normal trade relations (PNTR) for China in 2000 and Russia in 2012, import protection for steel, and Buy American legislation in 2009.

Other influential analyses have addressed economic reform in Europe, Japan, the former communist countries, and Latin America (including what became known as the Washington Consensus), the social impact of globalization and

policy responses to it, outsourcing, corruption, foreign direct investment both into and out of the United States, global warming and international environmental policy, measures of currency manipulation and of equilibrium exchange rates, and the sources and growth of services trade.

An outstanding and devoted Board of Directors has guided the operations of the Institute throughout its history. Peter G. Peterson, cofounder and chairman emeritus of the Blackstone Group and former secretary of commerce, was founding chairman and remains in that role today. George David, former chairman and chief executive officer of United Technologies Corporation, is vice chairman of the Board. James W. Owens, chairman and chief executive officer emeritus, Caterpillar Inc., is chairman of the Executive Committee. The other members of the Executive Committee are C. Fred Bergsten, senior fellow and director emeritus, Peterson Institute for International Economics; Andreas C. Dracopoulos, co-president, board of directors, Stavros Niarchos Foundation; Jessica Einhorn, former dean of the School of Advanced

International Studies at Johns Hopkins University and former managing director for finance and resource mobilization, World Bank; Carla A. Hills, chairman and chief executive officer of Hills & Company, former secretary of housing and urban development and former United States trade representative; Caio Koch-Weser, vice chairman, Deutsche Bank Group, former deputy minister of finance for Germany and former managing director of operations, World Bank; Lynn Forester de Rothschild, chief executive officer and president, E.L. Rothschild Limited; Richard E. Salomon, managing partner, East End Advisors, LLC; and Lawrence H. Summers, Charles W. Eliot University Professor, Harvard University.

The Institute celebrated its 25th anniversary in 2006 and adopted its new name at that time, having previously been the Institute for International Economics. In 2001 it moved into its new building, which received an Award of Excellence for Extraordinary Achievement in Architecture by the American Institute of Architects and a Best Architecture in Washington Award by the Washington Business Journal.

Praise

FOR THE INSTITUTE

“I go to the Institute before I go anywhere else because [it] is on the cutting edge.”

SENATOR MAX BAUCUS, *Chairman of the Senate Finance Committee*

“There is no institute anywhere in the world...that comes close to having the breadth and depth that the [Peterson] Institute for International Economics has in its devotion to international economic studies all over the world.”

STUART EIZENSTAT, *Former Deputy Secretary of the Treasury and Undersecretary of State*

“...research institutes vary widely in both quality and honesty. Among the best on both counts is the [Peterson] Institute for International Economics.”

PAUL R. KRUGMAN, *Professor of Economics and International Affairs, Princeton University*

“In terms of [the Peterson Institute for International Economics’] ability to shape policy discussion and influence the outcome, there isn’t an organization outside government that can touch it.”

STEVE PEARLSTEIN, *Washington Post*

“I don’t think there have been many institutions outside the government, if any, that have had the same kind of impact on global economic thinking as the [Peterson] Institute for International Economics”

LAWRENCE H. SUMMERS, *Charles W. Eliot University Professor and President Emeritus at Harvard University, former Secretary of Treasury and Director of the National Economic Council*

“[The Institute is] the emblematic think tank of our time.”

JEAN-CLAUDE TRICHET, *Former President of the European Central Bank*

“One of the things that has always astounded me about [the Institute] is they always have a book coming out about the subject that you just realized was important.”

DAVID WESSEL, *Wall Street Journal*

“..without any doubt the preeminent organization in the world operating outside government and outside universities...in analysis of international economic problems. Its publications over the years have been an invaluable reference source for all journalists working the field...”

MARTIN WOLF, *Associate Editor and Chief Economics Commentator, Financial Times*



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MAY 17, 2012 | Jean-Claude Trichet, former president of the European Central Bank, former governor of Banque de France, chairman of the Group of Thirty

MAY 19, 2011 | John Lipsky, then Acting managing director of the International Monetary Fund

MAY 13, 2010 | Niall Ferguson, Laurence A. Tisch Professor of History at Harvard University

MAY 7, 2009 | Nandan M. Nilekani, then co-chairman of the Board of Directors, Infosys Technologies, LTD, and chairman of the Unique Identification Authority of India

MAY 8, 2008 | Petr Aven, then president of Alfa Bank

MAY 9, 2007 | Heizo Takenaka, former minister for economic policy of Japan

MAY 8, 2006 | Mario Monti, then former commissioner of the European Union

MAY 23, 2005 | Long Yongtu, former vice minister of China's Ministry of Foreign Trade and Economic Cooperation

MARCH 23, 2004 | Lawrence H. Summers, Charles W. Eliot University Professor and President Emeritus at Harvard University, former Secretary of Treasury and Director of the National Economic Council

MAY 19, 2003 | Ernesto Zedillo, former president of Mexico

OCTOBER 24, 2001 | Alan Greenspan, then Chairman of the Federal Reserve Board



1750 Massachusetts Avenue, NW.
Washington, DC 20036
tel: 202-328-9000 fax: 202-659-3225
www.PIIE.com



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