

Sasakawa Foundation Visit (6/6/91)

Presentation of \$1 million gift to CCHROME and Department of Economics/Clements Library/11:00 AM.

Introduction

On behalf of the University of Michigan, it is my pleasure to welcome President Sasakawa, Mr. Ogata, honored guests, and colleagues.

Let me begin by expressing our deep gratitude to you, President Sasakawa to the Sasakawa Foundation, and your colleagues for your generous gift to our Committee on Comparative and Historical Research on Market Economies and Department of Economics.

This wonderful gift will be used to support graduate fellowships to promote global leadership and scholarship on critical historical and comparative approaches to the marketplace.

The fellowships will be called the Ryoichi Sasakawa Young Leaders Fellowships to honor your family, President Sasakawa.

This gift represents another step forward in meeting our University's strategic commitment to internationalize our teaching, research and service programs to meet the needs of 21st century society.

We have set ourselves high goals for internationalization including

To prepare our students to work effectively in the international marketplace

To produce research that increases our understanding of the internationalization of our world-
-in economics, politics, culture, technology, education and business.

To help link our institutions and people more closely together

across national boundaries to build solid bonds of understanding and shared purposes.

It is also another important step in our growing relationship with our colleagues, friends, and counterparts in Japan and other parts of Asia.

The fellowships will be invaluable to CCHRME in building
a strong foundation for increased cooperation and collaboration among students, scholars, and our business communities and in educating leaders for academia and public service.

Therefore, we accept this gift gratefully,
knowing that it will help us produce outstanding leaders for scholarship, commerce, and public service for many years to come.

For our part, we pledge to build this program
into a world leader in historical and comparative education and research on the international marketplace.

Future of American Competition and Technology

Themes of the future:

the changing nature of the American population--
our increasing interdependence with other nations
and other peoples--and the shift to a knowledge-intensive,
post-industrial society.

The America of the 20th Century that we have known
was a nation characterized by a rather homogeneous,
domestic, industrialized society.

But already that is an America of the past.

We will never see it again.

Instead, our children will inherit a far different nation--
a highly pluralistic, knowledge-intensive, world nation

that will be the America of the 21th century.

Yet despite the seemingly obvious transformations taking place around us, the people of our nation and our state have been slow to recognize the profound implications of change for all aspects of our lives for our future prosperity and well being for our economic and technological competitiveness for our place in the world community of nations as we approach the 21st Century.

But, believe me, the impact of these changes are already painfully felt by Michigan's workers and industries.

In fact, it is here in Michigan--in the heart of the "Rust Belt"--that the effects of these extraordinary changes are most clearly seen.

We all know that this past decade was a period of great difficulty for our state.

Industries of great economic importance to our nation such as steel and automobiles have fallen victim to intense competition from abroad.

Plants have closed; we still have many people chronically unemployed--or under employed.

Our cities have lost population.

It is clear that our state is in the midst of a profound transition--from an industrial economy based upon the abundance of natural resources, unskilled labor, and, to some degree, constrained, slowly moving domestic markets--

To a knowledge-based economy, characterized by intensely competitive world markets and rapid change.

This has not been--and will not be--an easy transition to make.

The truth is that the outcome is still very much in doubt!

Whether we will emerge from this transition as a world economic leader once again with a strong, prosperous, albeit new, economy--

Or whether we will fail to heed the warnings

to make the necessary investments and
sacrifices today necessary for strength and
prosperity tomorrow

And become an economic backwater in the century ahead.

It is clear that we have come to a fork in the road.

Role of Higher Education

My central point is that education, broadly defined,
will be the pivotal issue in determining which of these two
alternative futures will be Michigan's--and America's.

Indeed, I am absolutely convinced that the dominant issue of
the 1990s in the United States will be the development of our human
resources.

Previous economic transformations were closely associated
with major public investment in infrastructure such as
railroads, canals, electric networks, and highways.

In the coming economic transition, an equivalent
infrastructure will be an educated population.

The actions we must take today--
and the investments we must make--
will clearly determine our capacity to
respond to this future.

Fortunately, I believe that our leaders have come to appreciate
the need for major new investments in education,
and they are reaching out to the public to build support
for giving education at all levels a higher national priority
for attention and resources.

They have left it late
but, I think, not too late.

As a colleague in economics recently said,
"Democracies always do the right thing--
after they've tried everything else."

Well, I think we have now run out of alternatives to educational reform.

Role of US Higher Education

Not long ago at a meeting, a compatriot of yours,
the president of another major Japanese organization,
was asked to list the greatest strength
and the greatest weakness of the United States.
Interestingly, he replied without hesitation
that the greatest strength of the US
is our system of higher education.
He then went on to add that our greatest weakness
was our system of k-12 education.
Quite a paradox!
And quite a challenge for our country.

But I think many would agree with this assessment.
By just about any measure, American higher education
is doing an extraordinary job
in terms of the numbers and diversity of the students we educate,
our educational diversification,
our intellectual vitality
as measured in terms of productive research that creates industries,
saves lives, improves the prosperity and quality of life for the people we
serve.

In fact, if the marketplace is any test,
America's universities are at the top of the list, attracting more of the
world's students
than any other country and,
indeed, this makes us one of the sectors that contributes
to a favorable balance of payments.

This American strength in higher education is critical to our future.
As we near the 21st century, educated people
and the ideas they produce have truly become the wealth of nations.
It is higher education that has become the key resource,
the competitive edge, for our country.
For much of history, universities have been a protected enclave,

respected well enough but mostly unnoticed and allowed to go about their business unchallenged and largely unfettered. What a contrast today, when the university finds itself considered a key social, economic, political, and cultural institution.

Let me quote two of America's educational leaders on this point:

Derek Bok

"In all advanced societies, our future depends to an ever increasing extent on new discoveries, expert knowledge, and highly trained people. Like it or not, universities are our principal source of all three ingredients."

Erich Bloch

"The solution of virtually all the problems with which government is concerned: health, education, environment, energy, urban development, international relationships, space, economic competitiveness, and defense and national security, all depend on creating new knowledge--and hence upon the health of America's research universities."

I should add that America's universities are the key to reform of our entire educational system and, equally important, our universities are also the principle source of leaders and professionals prepared to participate knowledgeably and fully in international affairs.

This international responsibility is one of the great challenges before us in universities around the world and certainly in American universities and colleges.

Global Interdependence

As we have seen again in recent months, events in what were once remote regions of the world now have come to have a direct impact on the lives of every Japanese

and every American citizen.

Our world is rapidly becoming one world

--an interdependent whole--

in which politics, economics, culture, ecology, commerce, markets
must increasingly be viewed as single-world systems.

This is also true for academia with many implications

for what and whom we teach, where we teach them,
and how we interact with the emerging international scholarly
system.

Above all it has become imperative for universities to
refocus our scholarship and education on world systems and
issues,

on developing strong comparative perspectives in all our work,
and on international collaboration in problem solving.

Even as the Cold War has waned,

new and pressing challenges have arisen:

environmental and health problems which are global in scope;
concern for American prosperity as economies become more
interdependent;

and serious regional conflicts

due to racial, religious, ethnic, economic, and cultural differences.

At the same time, new opportunities are arising

from the growth of democracy, free enterprise, and political freedom
around the globe.

In this rapidly evolving world, our nation's store of knowledge
and ability to deal with other regions and peoples, languages, of the
world

has become more critical than ever before.

For this reason, your gift to the Center today

is of key significance for internationalizing our education and
research.

This is because one of the most pressing needs of higher education

is development of our ability to participate in the "world pool of
knowledge."

Information technology has given our scientific and business communities

the means to connect and collaborate
to retrieve information, analyze and disseminate it,
rapidly and easily from any number of countries.

Increasingly, collaboration across national boundaries will allow
scholars and policy makers to work together to address large-scale
problems
confronting humanity.

We already have the technology and expertise to tackle some of the
toughest questions--

weather, famine, forestation, global warming, market behavior,
but our understanding of one another,
our ability to work together,
to combine disciplinary and professional perspectives,
to communicate in one another's language,
to share methods and goals--
all lag far behind our technical abilities.

It is a great challenge to our educational systems

to help develop our human capacity,
to cooperate in applying our knowledge and technology
for productive human ends,
and to participate fully and effectively in the world system.

US/Japanese relations

The United States, like Japan, has enjoyed periods in its history
of relative self sufficient isolation from the world.

But that option is forever behind our countries now.

Today we are inextricably joined together
in the emerging global community.

The University of Michigan has a long history of ties to Japan
and its scholarly and business community, as my colleague has
already suggested.

As nations, we are strong allies and friends,
and we have many interests and responsibilities in common

as well as engaging in a healthy competition economically.
I think this competition is a good thing for both countries and for the world.

It spurs us on to higher technical invention and achievement
and drives the spread of knowledge and technology to all
corners of the globe.

But we must not let the healthy competition
obscure the fundamental values and goals we share in
common,
or stand in the way of cooperation and collaboration.

It is incumbent on the universities
and on the business communities of both countries
to help keep our common bonds of understanding and experience
strong.

Conclusion

This gift from the Sasakawa Foundation to CCHRME
is a generous example of exactly this kind of productive linkage
that will have lasting benefits.

Your Foundation is a leader in international philanthropy
and you are truly shaping the future with your benefactions.

Once again let me thank you, President Sasakawa,
both for your gift and for coming here today.

We are honored and would like to present you and your colleagues
with a Presidential Society memento of this happy occasion.

(Present UMPS Memento)