

# **Dinner Speech**

## **On the Occasion of the Concluding Dinner at the 5th Europe Asia Young Leaders Forum**

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One of the most outstanding features of the 21<sup>st</sup> century is perhaps the fact that it was started by the inspiring appearance of a new economy, which has been conceived in the womb of the industrial economy in the late decades of the last century, and now is entering a “booming period”.

The new economy is referred to under different appellations, but its technical and scientific essence remains one and the same, that is to say, science and technology have become direct productive forces; information and knowledge have become more precious than land, minerals or any other physical resources; the gray-matter content in each product is ever-increasing; information technology (especially the internet) has become the most popular and effective working tool. Nowadays, that economy is called “knowledge economy” or “knowledge-based economy”.

With the features named above, the new economy has much more vehement vitality than old ones such as the primitive economy, the agricultural economy, and the industrial economy. The knowledge economy is developed on the foundation of scientific knowledge, so its growth rate is directly proportional to that of the bulk of scientific knowledge that man has accumulated; and this rate is accelerating. Science historians reckon that the quantity of knowledge that mankind generated in the 20<sup>th</sup> century alone equals the totality of knowledge that it had accumulated during the over 500,000-year-long history of its existence. In the 21<sup>st</sup> century, that volume of knowledge may have doubled.

After every scientific revolution, human knowledge, as a rule, bursts forth. After the first revolution in the 16<sup>th</sup> century, embodied by Copernicus (Polish astronomer, 1473-1543), who bravely and adamantly rejected the geocentrism which maintained that the earth stood still at the center of the universe, mankind entered the Renaissance after hundreds of years of the long night of the Middle Ages. The second scientific revolution in the 17<sup>th</sup> century represented by Newton (English natural philosopher, 1642-1727), who is known for his laws of gravity, ushered in the era of industry with two waves of revolutionary renovation of production technology. The first one took place in the late 18<sup>th</sup> and early 19<sup>th</sup> centuries, putting an end to the suzerainty of the agricultural economic

sector with the appearance of mechanical industrial production, based on the steam engine of James Watt (Scottish engineer, 1736-1819).

The second renovation of production technology occurred in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries and was marked by the advent of the electric generator invented by Edison (American inventor, 1847-1931) together with technological process of a systematic and controllable nature. In the same period, the theory of relativity and quantum theory were born, featuring the third scientific revolution with Einstein as its lead promoter (German theoretical physicist, 1879-1955). This revolution continued to pave the way for two more renovations of production technology. The first one was the semi-conductor-microelectronization process in the 1950s, along with the coming into being of such high technologies as biotechnology, new materials technology and automation technology. The second renovation was the computerization process and then the internet process from the beginning of the 1980s until now.

In the wake of every revolutionary renovation of production technology, labor productivity would multiply manifold and productive forces would climb another step. It is difficult to imagine which marvels will happen in the next few decades, in the next century and millennium...

Is another revolutionary renovation of production technology going to take place? Or do we have to wait for the 4<sup>th</sup> earth-shaking scientific revolution? We believe that sooner or later a new scientific revolution will take place in order to overcome the shortfalls of contemporary scientific theories, but whether sooner or later than the mean time from Newton to Einstein (about two centuries) nobody can tell. Each of such revolutions must be contingent on three conditions: reliable enough experimental evidence; powerful enough mathematical-physical instruments, and last but not least, the appearance of a scientific genius (as great as Copernicus, Newton, Einstein) who will be able to break through the current scientific paradigm. If one of these three conditions is missing, there will be no scientific revolution. Between two successive revolutions is the normal development period of science.

Like in the first stage of the industrialized economy, the new economy will also take shape and develop first in the countries with the most adequate econo-technical conditions, then it will spread gradually to other countries. However, the spreading process of the new economy will be faster and stronger because its nature is based on information knowledge and, in the present situation, the propagation and transfer of information knowledge through modern telecommunications – computer networks will be much swifter and easier than the transport of goods by car, ship, and plane in the centuries of industry. To some extent, we can consider the industrial economy to be characterized by nationalization and the new economy by internationalization. At first, the

major elements of the new economy (information technology and other high technologies) will permeate every socio-economic activity in the areas of agriculture, industry, and services. Then, there will appear a new economic area or field (computer software industry, for example) in the midst of the old economy. Finally, the old economy will turn into the new one.

I have made the above points only to highlight one important thing: *“Young business entrepreneurs like you who are participating in this Forum are the main stakeholders of the knowledge economy. The future of the knowledge economy and the sustainable development of this world depend on your talent and creativity.”*

**May I wish you every success! Thank you!**

Hanoi, Thursday, 28 April 2006