



Lawrence H. Summers

The most controversial president for the Harvard University



Lawrence Summers

Economists

Profile

An American economist, served as the 71st US Treasury Secretary during the Clinton period. Won the John Bates Clark Award for the research on macroeconomic achievements and became the 27th President of Harvard University from 2001 to 2006.

Fields of study:

- Tax-the economic impact of capital income taxes on investment behavior
- Unemployment-the persistence of unemployment
- Stock Market-mean reversion in stock markets
- Macroeconomics- modeling in macroeconomics

Award:

John Bates Clark Medal 1993
Alan T. Waterman Award 1987

Employment History

Chief Economist at The World Bank
January 1991 ~ January 1993

United States Deputy Secretary at United States Department of the Treasury
August 1995 ~ July 1999

Secretary of the Treasury at United States Department of the Treasury
June 1999 ~ January 2001

President at Harvard University
July 2001 ~ June 2006

Director & Sr. Economic Advisor at National Economic Council
January 2009 ~ December 2010

Professor at Harvard University
July 2006 ~ Present

Education

Ph.D, Harvard University, Cambridge
1982

S.B, Massachusetts Institute of Technology (BS), Cambridge
1975

Extra-curricular activities

active member at MIT debating team
1975



Details

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Date / Place of birth

November 30, 1954
New Haven, Connecticut, U.S.

Nationality

United States

Skills

Communication Skills

Leadership Skills

Effective Time Management

Ability to Work Under Pressure

English Speaking

Teamwork

Flexibility and Adaptability

Personal Skills

Languages

English

Fields of study

TAX

STOCK MARKET

UNEMPLOYMENT

MACROECONOMICS

Controversial issue:

Summers Memo Incident

-Summers thought that Africa was under-polluted and suggested dumping toxic waste in third-world countries for perceived economic benefits,the public thought that although the satirical section might be based in economics as a science, in fact contains strong moral premises

Views On Women's Productivity

-Lawrence Summers went on to argue that boys outperform girls on high school science and math scores because of genetic difference.in behavioural genetics is showing that things people previously attributed to socialisation weren't due to socialisation after all,"he said. At least half of his audience comprised women, several said they found the remarks offensive and one walked out.

Understanding Unemployment

- Identified the extent of long-term unemployment and its distribution among demographic groups
- Figured prominently in discussions over rising unemployment rates
- Much of Summers's research on labour economics is summarized in this book

What Causes Long-Term Unemployment?

1.government assistance programs

- prompting people who are not working to claim that they are looking for work even when they are not.
- providing an incentive not to work("reservation wage")

2.Unionization

- High union wages that exceed the competitive market rate
- Those who lose high-wage union jobs are often reluctant to accept alternative low-wage employment.

Us Unemployment

Year	Unemployment Rate
2009	9.9%
2010	9.3%



Lawrence was Director of the National Economic Council in 2009-2010, he face the greatest recession in US history. Unemployment rate is really high at that time.

What he did:

-Purposed American Recovery and Reinvestment Act Scheme to the boost US economic growth and lower the unemployment

Direct way : the extended Jobless benefit

Indirect way : was to boost the economics growth by increasing aggregate demand



TAX

He believed taxes are what makes a government function



As Treasury Secretary,

What he did :

- led the Clinton Administration's opposition to tax cuts.
- advocated taxing "bads" like tobacco and sugar

*He believes that his theory can make people's lives better and make the world a better place.

Work in U.S Government (main)

- Solved the economic downturn through tax cuts
- 2010: an \$859 billion tax cut
- 2011: extended unemployment benefits
- 2012: extended Bush's tax cuts
- reduced the payroll tax by 2%



Work for the World Bank

- The world is going through a huge health transition
- Lawrence Summers and Mike Bloomberg announced a Task Force on Fiscal Policy for Health.
- They are bringing together fiscal policy, development, and health leaders from around the globe to address the enormous and growing health and economic burden NCDs in LMICs



He believes that taxing health-hazardous items can improve global bamboo health problems.

why we should tax the "bads"??

1. the effects of higher prices in discouraging consumption
- 2.taxes send a signal of social disapproval.
- 3.discourage emulation of risky behaviours.

\$



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