Global Policy dialogue

The State of the World Economy in 2012

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Towards a slow and dirty
growth?

Three proposals to reverse the trend

Presentation by Jean-Michel Severino
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• Current macroeconomic policies might not reduce global imbalances, if no change in development policies take place or succeed

• the slow-down in the trend to reduce environment challenges will increase our difficulties

• The reduction in global and domestic social inequalities may not help solving problems, by itself

Our main global risk is a slow and dirty growth (with its social and political consequences)
Proposal one: new ways to reduce global imbalances

- Decreasing deficits in OECD countries and increasing domestic consumption in emerging countries might not succeed and could take a lot of time

- **Option One/1:** can developing countries play the same role vis-à-vis emerging countries as the one the latter have played vis-à-vis OECD countries?

- **Option One/2:** can a rapid domestic-market oriented growth take place in developing countries?

- Are our global policies focused on those two challenges?
Proposal two: back to a world of abundant nature and rare man

- The current state of « relative rarities » will continue weighting on growth potentials: a rapid shift in relative prices of man and nature is needed...

- Can a fiscal revolution take place, and how fast?

- Can we weigh on our global demographic growth, and what consequences for global policies?
Proposal three: a global social safety net as part of the global recovery

- The double social challenge (OECD face): forgotten ones as the burden of society vs its opportunity

- The double social challenge (developing countries face): towards the double « bottom billion »...

- Global polices as an opportunity for global growth: climate, security, ethics and growth...
Let’s think together...
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