

Global Policy dialogue

The State of the World Economy in 2012

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LSE events



**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)**

- **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 one: new ways to reduce global imbalances

- **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 two: back to a world of abundant nature and rare man

- **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 policies as an opportunity for global growth: climate, security, ethics and growth...**

Proposal three: a global social safety net as part of the global recovery



Let's think together...

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