Growth and Employment in the New Global Economy

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<th>GLOBAL AGGREGATES</th>
<th>Real GDP (%, y/y)</th>
<th>CPI (%, y/y)</th>
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<td>2011</td>
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UNEMPLOYMENT

Percentage of labour force

Source: OECD Economic Outlook 89 database.
Incomplete deleveraging
(US household liabilities as % of disposable income)

Source: EIU CountryData.
The Explosion of Public Debt

Stock Public Debt % GDP;
Fonte: Economist Intelligence Unit
The World Economy in 2011-2012

IMF, 2010
FIGURE 1.17  Output growth for emerging and advanced economies, 15-year average, 1996–2010 (historical) and 2011–25 (baseline scenario)

Source: World Bank staff calculations, from model projections and World Bank WDI database.

Unit: %

The diagram shows the output growth for emerging and advanced economies over two different periods: 1996–2010 (historical) and 2011–2025 (baseline scenario). The growth rates for emerging economies are significantly higher than for advanced economies in both periods, with the 1996–2010 period showing higher growth overall.
FIGURE 1.2 Historical evolution of simple growth polarity, selected economies, 1–2008


Note: The simple polarity index was calculated for various variables, including per-capita GDP and real GDP growth.
The consumer markets: 2010 - 2025

Percentage shares G6, B6;

G6 = USA, JAP, FRANCE, GERMANY, UK, ITALY, B6 = CHINA, INDIA, RUSSIA, BRAZIL, SKOREA, MEX
Figure 2: EM Consumption Not Yet Strong Enough to Offset Deleveraging G7 Consumers (US$, billions)

Note: Europe includes EZ and UK; Key EM includes BRICS plus Indonesia and Turkey
Source: IMF, national statistical agencies, RGE
Current account balance, in US$ billions

Source: OECD Economic Outlook 89 database.
Two different performers

_______  Germany  

_______  Italy

**UNEMPLOYMENT**

**GDP**

Source: Ameco database
Different evolutions of the degree of openness

import+export/(2*GDP)

Source: Comext
Inward FDI stock as % of GDP

Source: Eurostat
GERMAN EXPORT SHARES, in %

Source: Federal Statistical Office, Feri, UniCredit Research
Policy Implication

• Demand Side: Dealing with global imbalances

• Medium term policies to increase mobility and facilitate reallocation of resources

• Redirect employment policies
INNOVATION-LED POLICIES

- A pervasive driver of change: more than S&T, also design, business models, organisational change

- Recognition that a bundle of investments are needed for innovation: tech & non-tech.

- Importance of broad based human capital: hard and soft skills, including entrepreneurship

- Systemic approach: “push” / supply and “pull” / demand policies
The End

Thanks for your attention!