POLICIES FOR A SHIFTING WORLD

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Introduction

• “OECD@100: Policies for a shifting world”:
  – Illustrate key economic challenges over the coming 50 years
  – Identify policies to address these challenges
  – Investigate which spillovers and trade-offs such policy action can generate

• Some challenges identified in recent OECD work:
  1. Shifting patterns of economic growth
  2. Will global income convergence shift migration flows?
  3. Increasing inequality
  4. Rising environmental costs
  5. *Ageing, demographics and their consequences*
  6. *Fiscal challenges*
  7. *Further global trade integration*
Sifting global patterns of GDP growth

Percentage change

Per cent

OECD Non OECD
OECD Non OECD
OECD Non OECD
OECD Non OECD
OECD Non OECD
OECD Non OECD
OECD Non OECD
OECD Non OECD

2000-2010
2010-2020
2020-2030
2030-2040
2040-2050
2050-2060
Consequences of global growth patterns

• If incomes in emerging economies catch-up, what are the consequences?
  Ex. migration

• If global growth becomes even more reliant on multifactor productivity and knowledge-based assets, how should policies adjust?
  Ex. inequality

• What are the environmental consequences of a global economy growing according to ‘business as usual’?
Will income convergence lead to a dry-up of migration towards the OECD?
Potential labour force with modelled migrant flows, 2060
Gross earning inequality is set to rise in the OECD
Damages from climate change will rise, and will likely be unevenly distributed.
Challenges identified in recent OECD work:

1. Changing patterns of economic growth
2. Will global income convergence shift migration flows?
3. Increasing inequality
4. Rising environmental costs
5. Ageing, demographics and their consequences
6. Fiscal challenges
7. Further global trade integration

More?
THANK YOU!