

Big Shifts and Discontinuities: *Global Economic Developments*

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Big Economic Shifts and Discontinuities

- International
 - US is no longer reliable locomotive and shock absorber
- Domestic
 - Social tolerance of disproportionate emphasis on top-line growth has greatly deteriorated
- Natural Resource Constraints

Manifestations of Shifts/Discontinuities

- **Change in US role**
 - Unravelling of Bretton Woods II, growth deceleration as stimulus withdrawn
 - Drift on international trade, monetary, development, environmental policy

- **Exhaustion of Chicago School/Washington Consensus growth model**
 - Increased social demands/upheaval for better inclusion, security, fairness in advanced, middle and low-income countries alike

- **Resource constraints**
 - Commodity “supercycle”
 - Global warming, water scarcity, fisheries depletion, etc.

New Economic Growth Model Required

- Widespread Agreement on Direction: **BIG Growth**
- But Policy Agenda Still Largely Missing
 - Balanced (Monetary; Trade; Financial; Development, Investment Institution Building)
 - Inclusive (Institution Building: Labor; Corruption; Infrastructure; Investment Climate; Education Institution Building)
 - Green (Planning; Energy Efficiency; Innovation; Finance; Sectoral Industry/Consumer Institution Building)

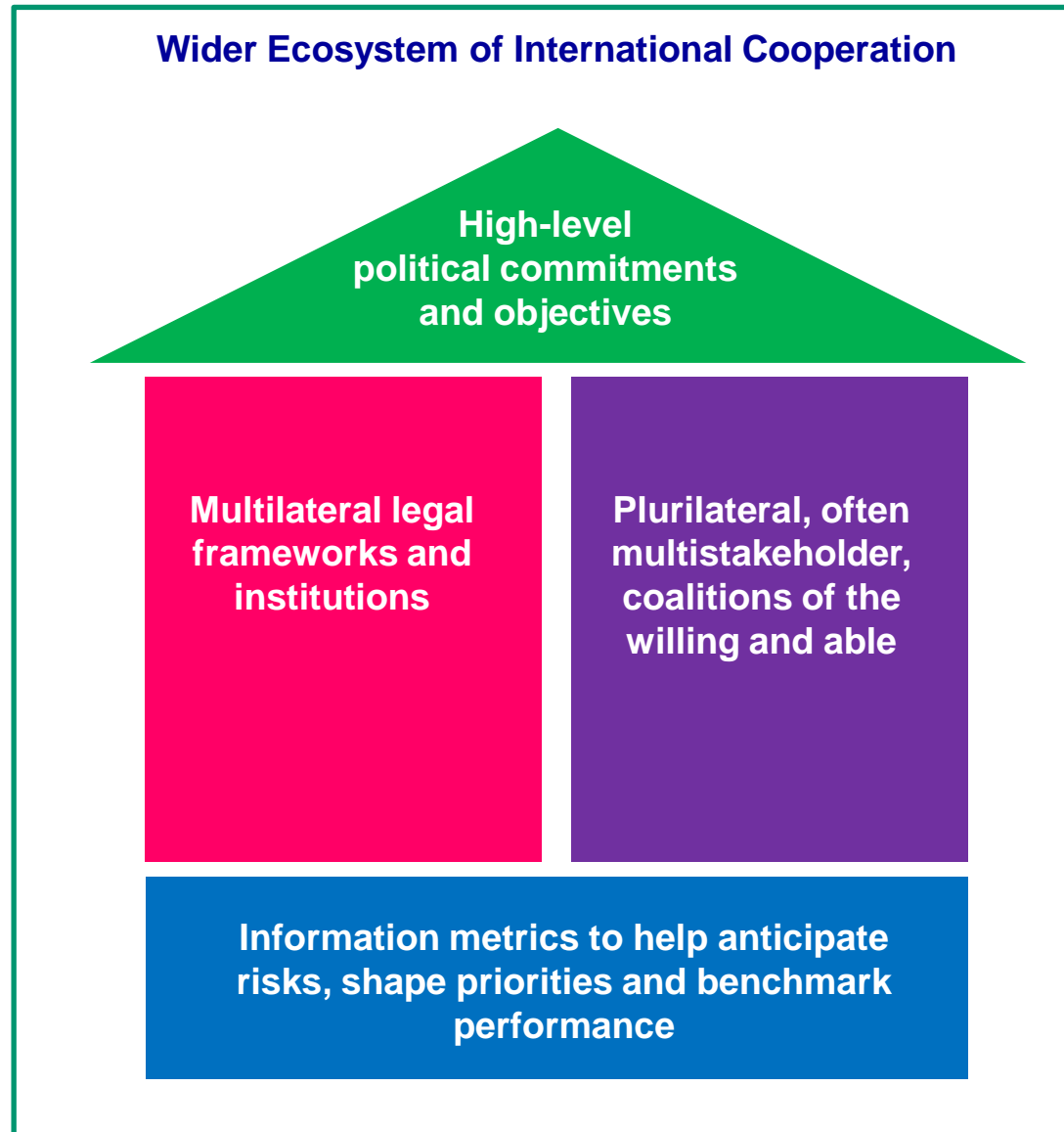
Lagging Shift: Governance

- Domestic: Roosevelt Consensus
 - Managing for both Top-line and Bottom-line (BIG) growth, mapping and exploiting synergies
- International:
 - Global Deal to Rebalance and Reinvigorate World Economy's Virtuous Circle
 - Public-private Enabling Architecture to Speed and Scale Green Growth
- Implies shift in model of international cooperation and governance: major underlying discontinuity

Multidimensional Cooperation

- Multidimensional, modular framework of international cooperation emerged as a pattern out of recommendations of 50+ global task forces comprised of 1,500 academic, business, civil society, governmental experts (Global Redesign Initiative).
 - Wider global cooperation system needed to overcome limitations of scale, information and coherence in an era of complex interdependence.
 - More results-oriented approach to delivering human security needed to enhance both effectiveness and legitimacy of international system.
 - Results-orientation requires more interdisciplinary, multistakeholder and people-centered (and thus less state-centric) approach.
 - International governance not an end in itself but a means to advance human security.

Multidimensional Cooperation



Blueprint for Renovating the International System

- 1) Expand definition of the international system.
- 2) Strengthen state-based core (norms and institutional capacities) while expanding geometry to capitalize on non-state expertise and resources.
- 3) Deploy augmented geometry in results-oriented push on specific challenges.
- 4) Take similarly targeted practical steps to strengthen participation and accountability in state-based core.
- 5) Expand constituency for international cooperation by cultivating shift in societal and professional values based on deeper appreciation of importance of good international governance for their own success.

21st Century International System: Human Security enabled by Multidimensional Cooperation

- Freedom from fear; freedom from want; opportunity to develop human potential. *(1994 UNDP HDR; 2003 Ogata-Sen Commission)*
 - Survival, livelihood, dignity as fundamental basis of security
 - Interconnectedness and interdependence of threats and challenges
 - Indivisibility of security, development and human rights

- Consensus on need for new culture of international relations that goes beyond fragmented responses and calls for comprehensive, integrated and people-centered approaches *(May 2008 UNGA debate)*

- Interconnectedness of threats requires integrated network of stakeholders. Multidimensional impact of climate, food security, financial crisis, conflict, health, etc. requires corresponding framework of cooperation. *(March 2010 UN Secretary General report)*