

Macroeconomic Management *meets the* New Economy.



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Institute for New Economic Thinking

We are economists who challenge conventional wisdom and advance ideas to better serve society. Founded in the wake of the financial crisis in 2009, the Institute for New Economic Thinking (INET) is a nonpartisan, nonprofit organization devoted to developing and sharing the ideas that can repair our broken economy and create a more equal, prosperous, and just society. To meet current and future challenges, we conduct and commission research, convene forums for exchanging ideas, develop curricula, and nurture a global community of young scholars.

Our approach is guided by a set of key principles:

- Economists and their ideas must be independent from powerful interests. Otherwise, economics is beholden to those at the very top and fails to serve all of society.
- Complexity and uncertainty are inherent in economic and financial systems. We must question theories based upon the flawed assumption that humans always behave rationally and predictably, and that markets always trend towards equilibrium.
- Inequality and distribution matter as much to the economy as growth and productivity.
- Heterodox models that pose alternatives to the neoclassical orthodoxy are essential to understanding the economy and promoting a vibrant intellectual pluralism.
- History matters. We must learn the lessons of past mistakes, and also draw on roads not taken historically to map a more equal and prosperous future.
- Diversity of race, gender, class, and other forms of identity enrich economic thought.
- An outdated economic structure is endangering our planet—but new approaches could save it. To uncover solutions, economists must first incorporate analyses of climate change, population growth, and stressed resources into their research.

- Multidisciplinary learning. A discipline in isolation develops harmful blind spots. We collaborate with scholars in other social sciences, the humanities, and the natural sciences to better understand our world.

We work with the economics community to:

- Produce and fund innovative research.
- Develop curricula and educational resources for students.
- Support INET's Young Scholars Initiative, a global network that is nurturing the next generation of new economic thinkers.
- Host conferences where leading and emerging economists, students, and other scholars exchange and develop new research and ideas.

We work with influencers and policymakers to:

- Amplify the work of our staff economists and grantees, ensuring that their findings and ideas can have real-world impact.
- Apply new economic thinking to policy questions, as with our Commission on Global Economic Transformation.
- Demystify economics for the engaged public through our blog and video content, social media channels, and events.



Commission on
**Global Economic
Transformation**

**Macroeconomics
& Finance**

Globalization

Technology

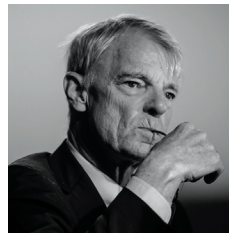
Climate

About the Commission on Global Economic Transformation

Initiated by the Institute for New Economic Thinking, the Commission on Global Economic Transformation (CGET) aims to clearly enumerate and articulate the most critical problems in the global economy. Political and economic populism recently swept the developed world. Meanwhile, developing countries are struggling to search for paths to prosperity, and people around the world are coping with the challenges posed by widening inequality, technological disruption, and climate change. These are compounded by the ineffectiveness of current policy tools, raising questions about the role of the state, civil society, along with national and international governance frameworks.

CGET will harness the energy already evident in the academic and public spheres to chart alternative reforms that will support a more sustainable, prosperous course for the world economy. CGET will also build a knowledge bank of high-quality research that will inform policymakers with evidence-based recommendations. Culminating in a final report, CGET will bring research findings and concrete guidance to bear on policy challenges—creating a bridge between meaningful research and leadership that will positively influence the transformation of the global economy.

CGET is led by:



A. Michael Spence
CGET Co-Chair



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Commission on
**Global Economic
Transformation**

**Macroeconomics
& Finance**

Macroeconomics & Finance

Macroeconomics and finance occupy a central role in the work of CGET because the world is still grappling with the aftermath of the global financial crisis of 2009, with issues ranging from: long-lasting stagnation, regulating too-big-to-fail financial institutions, unconventional monetary policy and its effects on the economy, and the emergence of digital and crypto-currency. With the new modes of production and consumption brought forth by the digital economy, hidden risks and blind spots are only increasing after decades of a bad form of capitalism.

Developments at the international level are more alarming. International institutions and multilateralism are met with suspicion, at times with disregard and even outright hostility. Nationalism and nativism are rapidly rising in domestic politics, often without a consistent strategy for inclusive prosperity. Restoring confidence in a rule-based approach to international governance will not be easy, but it remains vital for the future of the global economy.

Robust economic growth and sound financial foundations are the cornerstone for social progress. This chapter of CGET will directly confront many of the central issues in macroeconomics and finance and create the space needed to address our challenges.

When and Where:

Tuesday, March 5th, 2019
New York, NY

The Chatham House Rule

To create an open environment for debate and discussion, the participants attended under Chatham House Rule.

Accordingly, the ideas discussed in this report reveal neither the identity nor the affiliation of the speakers, nor that of any other participant except where explicitly attributed.

Attended by:



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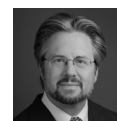
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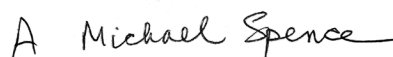
Introduction

Finance and the macroeconomy, both policy and industry practices as well as academic research, have evolved substantially in recent years. While the old questions of business cycles, macroeconomic management, financial regulation, and social protection are still being debated, we are now confronted with new developments in the economy, characterized by digital technology, new modes of production and business models, and changing employment relations. Macroeconomics and finance need urgent rethinking as the global economy transforms.

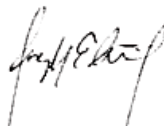
Our gathering on March 5, 2019 brought together economists, policymakers, financial regulators, and industry practitioners from around the world. We heard diverse perspectives on multilateralism, pension and labor market reform, international trade, and risks in the world economy, and we grappled with issues on stagnant wages, public debt, fiscal and monetary policy, and banking reforms. Our discussion was by no means exhaustive or conclusive, but we attempted to harness the group's collective wisdom to address some of the most prominent questions of our day.

This document is intended to inform our commissioners as they develop CGET's final report and to share our timely conversation with policymakers and the general public. Fomenting multidisciplinary, critical discourse is one of the most important responsibilities of this initiative, and we sincerely thank the staff at the Institute for New Economic Thinking (INET), our dedicated Commissioners, and our outside experts for helping us to promote this dialogue.

Sincerely,



Michael Spence
CGET Co-Chair



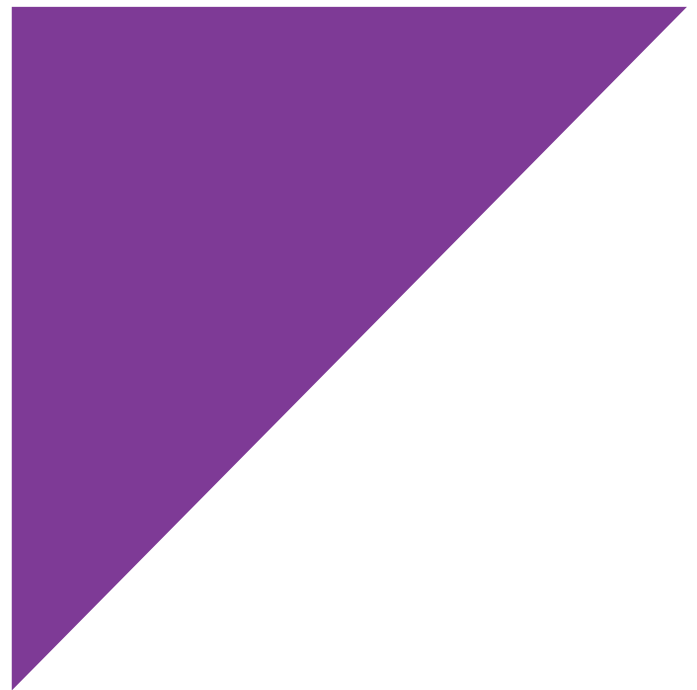
Joseph Stiglitz
CGET Co-Chair

Executive Summary

“Ideology shapes how we perceive the world, and for 40 years there’s been an ideology that hasn’t worked, and now people are in a sense rule-less.”

Joseph Stiglitz
CGET Co-Chair

- **The public is losing faith in economic orthodoxy, if it hasn’t lost it already.** Deficits no longer are seen as unambiguously bad. Free traders are being replaced by managed traders. Markets are less efficient and fair in reality than they are made out to be in textbooks. But **we haven’t yet constructed an alternative belief system** to replace the old one. Hearts and minds are up for grabs and nationalists are winning their share.
- **Economists cling to frameworks that are obviously flawed.** The profession’s workhorse DSGE model assumes that the economy is always in equilibrium, while the classic Keynesian approach captures only a moment in time. Economies rarely are in equilibrium and they are dynamic, not static. Central banks appear to have underestimated potential output, suggesting interest rates have been left higher than necessary. The study of trade neglected to incorporate game theory. **The study of economics needs models that are flexible enough to measure dynamism,** including the central role played by the financial system.
- **The multilateral world order is being replaced by variable geometry,** as coalitions form in reaction to the Trump administration’s decision to take the U.S. rivalry with China out into the open. A system of competing coalitions might be able to keep a candle burning for the postwar order; however, there is a significant risk of fragmentation that will make trade less efficient and hurt overall economic growth.



Key Issues, Risks, and Blind Spots in Finance and the Macroeconomy.

The past several decades of growth have left millions of people on the sidelines, and economic orthodoxy has been unable to explain why. Belief systems are changing, as perhaps exemplified by the U.S. Republican Party's embrace of deficit spending under President Donald Trump. The "Washington Consensus," which called for balanced budgets, free trade, and open capital flows, has collapsed.

What will replace it? The Trump administration has pursued corporate tax cuts, increased spending, tariffs and import quotas. Such a policy mix would be a step backward; it threatens to exacerbate income inequality and it undermines the positive aspects of international trade. The U.S. approach also might put **too much emphasis on economic growth**, which has failed to distribute wealth evenly.

To be sure, lots of Americans have been pulled from the sidelines of the economy over the past few years. Wage growth isn't as strong as you'd expect, given the low rate of unemployment, but people seem to be able to work lots of hours if they are willing to accept relatively low wages. That's a big change from five, or even 20, years ago.

"I think that anybody who's aware—and not everybody is aware—recognizes that they need to play analytical catch up."

Mohamed El-Erian

The lesson: economists and policy makers probably underestimated potential output because people still are joining the labor force. The calls in 2016 and 2018 to raise interest rates evidently were premature, since the jobless rate in the U.S. and other countries has continued to fall without sparking inflation. Central banks may need to rethink their definitions of full employment.

And governments probably need to reconsider the role of fiscal policy. Modern monetary theory (MMT), which argues, among other things, that debt is a relatively minor

concern because central banks can create money to pay it off, is controversial. However, its popularity with a growing number of Democratic politicians is evidence that the public is hungry for new ideas—and that political fever over austerity has broken. It's unclear whether MMT is a replacement for current orthodoxy, but the idea that government spending can be better used to generate wealth surely is valid. So the bigger question becomes, **how do governments accommodate deficits?**

Policy makers must also rethink their approach to trade and globalization. The world hasn't unfolded as many assumed it would when the World Trade Organization was created in 1995. China has become a middle-income country, as hoped; but it got there largely on its own terms, not those laid down by the U.S. and the European Union. China's economic rise and ambition matters to a lot of countries, especially smaller neighbors. But there is reason to be wary of China's influence. The Belt and Road initiative may be creating economic growth, but it also could be shackling poorer countries with excessive debt.

China also is central protagonist in the backlash against trade. It played the game on its terms, tilting the playing field to its advantage. Orthodox free traders might have anticipated this if they had used game theory to check their assumptions about the welfare-enhancing benefits of comparative advantage and efficiency. The idea that trade is good for everyone is based on perfect conditions and symmetric information. Those conditions never arrived in the real world.

Was it the models? The dominant streams of mainstream economics rely on frameworks and assumptions that bear little resemblance to the real world. The dominant model—Dynamic Stochastic General Equilibrium, or DSGE—assumes the economy always is in equilibrium. Old-style Keynesians push back, but their approach is based on a model that captures a moment in time. **What is needed is framework that mimics an economy's dynamism, flexible enough to respond to moments of fundamental structural change.**

Any shift in approach should apply accurate assumptions of how finance works. The notion that money flows from savers to investors, with banks acting as passive intermediaries, is too simplistic based on what we know about how banking works. It misses that money is created out of thin air by both central banks and private lenders. And this money doesn't necessarily end up with the people who intend to invest it in ways that will enhance productivity or welfare.

So it is the financial system itself that creates money, not savers. This could be a positive: the power of the financial system could be used to do things that benefit society at large. Look at China. It is using its financial system to generate credit that is used for development. There is a tendency in economics to assume that China is wiring a debt bomb. Maybe so; but maybe not. The government has created vast sums of money to fuel investment and lift hundreds of millions out of poverty. Why couldn't Europe do something similar? One reason is that Europe probably is being held back by potentially outdated thinking about how the financial system works. Money and finance aren't separate from the real economy, they are core. Finance allows for a globally integrated economy, but we have national sovereignty. The global economy is a dollar economy, which creates a huge political economy problem. None of this is in the macro models.

The designers of the most popular macro models envision borrowing costs of essentially zero for an extended period in the United States and Europe. **What has the era of unconventional monetary policy left behind? For one, asset prices have detached from fundamentals.** This is one legacy of the era of unconventional monetary policy. Has "normal" changed as a result? What happens when major central banks attempt to normalize at the same time? We don't know because it never has happened.

This issue is bigger than Wall Street. The rise of current economic orthodoxy led to the financialization of the social safety net. **Some would argue that the Clinton administration effectively privatized Keynesianism, overseeing austerity economics while encouraging households and the private sector to borrow and spend.**

There were unintended consequences: the low interest rates that followed Clinton's policies appear to have caused a broad mispricing of the assets that households must buy in order to capitalize their risks. Asset values have become skewed because the cost of labor has been depressed, carbon is underpriced, and share buybacks inflate equity values. The prices of these assets could revert and the savings of millions of households would be decimated.

And yet financial regulation is more concerned with preventing the financial industry from doing harm than making it do what it is supposed to do. What could correct this? Possible answers: a financial transaction tax; **recognizing that finance is taking money from corporations and giving it to households, not the other way around.** Forcing companies to stop buying back shares until they fund their pensions could be another way to refocus investors on fundamentals.

Technology can bring finance to more people. But why haven't we seen this spread more broadly? **There is a clash coming between the old monopolies and the new monopolies; the old ones will want what they consider their share.** Data probably will require stringent regulation to constrain natural monopolies from taking over.

Finally, **it might be time to loosen the finance industry's grip on the economy.** Finance now represents about eight per cent of gross domestic product, up from 2.5 per cent. This shift didn't bring sustainable growth; it brought inequality and instability. It also might have changed society. Behavioral economics suggests that it has made us more selfish, changing the ethical foundations on which capitalist economies were built. Private finance hasn't been able to come up with an answer for climate change. All of these things suggest that a collective response is necessary. Public banks and cooperatives can play a greater role in the financial system.

When Macroeconomic Management Meets the New Economy.

The mission of economic policy is to create jobs and support human welfare. There is reason to question whether the current mix of policies can achieve that goal. The unemployment rate in the U.S. and other advanced economies has been low for several years, yet wage growth barely is keeping up with inflation. That's not the way it's supposed to work. A low jobless rate suggests scarcity, which should put upward pressure on wages. Maybe other policies are required to ensure labor gets its fair share of the wealth it helps to create.

Data show that more and more people are working for more and more hours. That suggests **the new economy is predicated on people working under worse conditions.** Data also show that jobs performed by women tend to be underpriced, another form of wage suppression. Some 6.4 million of the 11 million jobs that will be created in the U.S. over the next decade will be filled by people older than 55. Many of those people will be working because their pensions and health insurance are inadequate, not because they want to work into their later years. These factors force a difficult question: **Have we created an "ecosystem of wage repression?"**

The answer isn't obvious. If older people want to work, perhaps policy should encourage it? People are healthier, so they should be in the labour market longer. If that's true, then the goal of policy should be to increase demand. The challenge becomes making the labor market more flexible in order to encourage more women and others who have been marginalized to join the labor force. We would need to be wary of assuming institutions will work the same as they did in the past. Wealthier people are living longer, widening the income gap between seniors and making the public pension system a regressive policy.

A tight link between wages and productivity isn't the natural state. The relationship was close after the Second World War, during the New Deal era, but not necessarily before -- and certainly not now. In the U.S., there was a political economy regime designed to keep wages high: collective bargaining backed by other policy measures and regulation. Industrial negotiations between the large corporations and their unions tended to set the wage rate for everyone. This system has been systematically dismantled, starting in the 1970s, when the Federal

Reserve moved to crush inflation. The U.S. then adopted a trade regime that put downward pressure on wages. Financial deregulation shifted from managers to shareholders. And the Fed tended to keep the labour market soft.

The response to the crisis shows that a more aggressive fiscal policy can make the economy more stable and make a difference in people's lives. The U.S. used industrial policy to fight the Great Recession, taking ownership stakes in General Motors and Chrysler. The government used the progressive tax system to create aggregate demand, including a holiday from the payroll tax for lower paid workers. And Washington allowed the welfare state

"If you have the wrong model of what's going on in the relationship between technological progress, labor markets, and price levels, then you probably can make some fairly serious policy mistakes."

Michael Spence
CGET Co-Chair

to do its job, as benefit programs proved a more important stabilizer for household income than tax cuts.

But mistakes were made, and those mistakes tended to occur when policy makers let orthodoxy get the better of them. **States and local governments should have abandoned their fixation on balanced budgets.** Too many teachers were fired, as the unemployment rate for teachers (mostly women) rose to 25 per cent. **The government could have considered becoming an employer of last resort, rather than simply stimulating aggregate demand.** The earned-income tax credit probably is increasing the amount of low-wage work. Policies of this sort need to be coupled with regulations that keep wages high, including through unions and wage boards and not just minimum wage.

All of this suggests that macroeconomic policy is missing a leg: fiscal policy. There is space for governments to borrow and thus room for wider deficits and higher levels of debt. More demand probably isn't enough. The U.S. added more demand during the crisis, and things stayed roughly the same. We have better data so we can evaluate policy better. **Fiscal policy should be reclaimed as a tool of macroeconomic management, not only for stabilization, but for development.**

It's not obvious whether the technological shift will destroy jobs or create them. Demand for skills comes from companies and they will decide how much technology to adopt based on performance, management, etc. It will be necessary to take all of these variables into account when

thinking about how much demand will exist for labor. That suggests policy should include incentives for companies to hire skilled workers over the long run and benefit from the technological shift. On the supply side, we also will need to think about the kinds of skills that will be required. The emphasis should be on encouraging companies to design the training needed, because they will be the ones doing the hiring.

Still, the big digital platforms in China are remarkably inclusive. They lower the barriers of entry for entrepreneurs. Something to keep in mind in the debate over what technological change is doing to the labor market.



Challenges to Multilateralism and the Future of Global Economic Order.

The push for a more effective multilateral order is in trouble: it is stuck in the middle of a river.

It looked like the world had something with the Group of 20 (G20). Alas, its ability to unite countries appears no better than that of the Group of Seven that preceded it. The G20 declared victory too soon after the financial crisis, shifting to austerity before the recovery was complete. The group has had little to say about trade, and the political drive that existed in 2009 and 2010 appears to be fading. Most agree that some important work was done on financial regulation, although doubts linger about whether the global financial system is significantly safer. It is unclear whether the G20 has enough momentum to keep pushing the agenda forward; it could be adrift, which means currents could send multilateralism in reverse.

Nationalism is getting in the way. For decades, global governance relied on the organizing power of the United States, but the Trump administration isn't interested in playing that role. In theory, a multi-polar order is possible, but there is little evidence that enough countries are willing to cooperate to make that possible. It would require nations to champion global institutions and to change domestic preferences. Instead, institutions such as the WTO appear weaker, and the most powerful countries are pursuing self-serving agendas.

Multilateralism is changing: it now tends to be reactive, rather than proactive or preventative. When they do cooperate these days, countries tend to cherry pick the easiest issues and shrink from the difficult ones. There is a pervading idea that the global order is hindered by too many free-riders. The impulse to work hard to come up with a negotiated set of rules also is fading; countries are choosing "dialogues" instead.

A way to restore faith in multilateralism could be to "frontload" some incentives. For too many citizens, the WTO, the International Monetary Fund and other global institutions have come to represent loss. China has a different approach when it goes abroad: it invests first and asks questions later. That's problematic, but there's no denying that Beijing has broadened its influence by doing so. African participation at the United Nations has become spotty, but few leaders skip Xi Jinping's Africa summits.

Perhaps the postwar order erred in relying too much on the United States? There is no logical reason that the world's dominant military power should also be the place where everyone looks for leadership on financial regulation, for example. Maybe a country such as Singapore has more to offer in this regard? This suggests that multilateralism could be strengthened if enough smaller powers step forward. The U.S. did nothing to help maintain equilibrium as global power shifted to Asia from North America and Europe. Now, we have a system that

"Why, to regulate financial markets, do you need a nuclear submarine? You don't."

Danny Quah

does little for large numbers of people. This explains the rise of regional blocs of co-operation. **The way forward could require an acceptance of variable geometry.** The G20 and the OECD have struggled to secure broad, meaningful agreement on international tax dodging, an issue that should unite citizens across countries and ideologies.

How would that work? An example: those nations that see benefit in the WTO should ensure that the current U.S. administration doesn't wreck it; they could unite to say that they will respect the appellate system, and leave the U.S. to operate as it wants.

Variable geometry isn't ideal. It could lead to more fragmentation, which could lead to more conflict. But is there a choice? The common currency of the global economy is based on the U.S. dollar, the value of which is determined to a great extent by policy decision made to suit one country. Global governance is needed now as much as ever.

Making the Financial System More Inclusive, Resilient, and Efficient.

Private finance has little interest in the world's biggest social issues. Since deregulation in the 1990s, the planet has only become hotter, and wealth gaps have widened.

Generating inclusive growth and reversing climate change will require Wall Street to make room for public banks, which could be sources of funding for households and entrepreneurs, mortgages, and infrastructure finance.

The biggest U.S. banks lend little to companies with revenue of less than \$1 million, so there clearly is a need for alternative sources of lending. Cooperatives and credit unions could be given a greater role in the financial system. Giving every citizen a checking account at the central bank might be another way to pull more people into the financial system.

Fiscal incentives might be necessary to drive money in a more positive direction.

Policy makers have been working on financial regulation for a decade, but there is more to do. The Dodd-Frank Act regulates institutions, not the behavior of individuals. Regulators were given authority to guide behavior, but so far they haven't used it.

changes in the U.S. and Europe that induce capital flight and make investors wary about lending them money for longer periods of time.

We know now that household debt also is a source of financial stability. Too much debt in relation to gross domestic product creates a fragile macroeconomy; when a crisis occurs, the real economy will de-lever and go into a slow-growth phase even if nothing goes wrong with your financial system. This is what happened to Japan in the 1990s, and this contributed to the Great Recession. It is possible to have a major macroeconomic problem even if no banks go bankrupt.

“How much debt do you want in an economy, and is there something really fundamental about debt, which both creates macroeconomic instability, and which is a driver of increased inequality?”

Adair Turner

The shadow banking system remains a concern. It could be made less shadowy by requiring all firms to register with the central bank. Another weak point in the global financial system is the general inability of emerging markets to borrow over long periods of time, exposing them to financial instability. Institutionalized mechanisms that help these countries manage risk, such as swap arrangements, could help them guard against policy



International Trade, Monetary, and Governance Systems.

For the past 70 years, trade has been governed by a set of rules; these rules were based on nondiscrimination, transparency, and binding and enforceable commitments on tariffs. This framework brought greater certainty, stability and increased market openness. The system helped create unprecedented prosperity and has worked well for the most part. Countries broadly accepted that a well-functioning WTO was in their interests.

All of that now is up in the air.

There are four possible outcomes to the current turmoil: countries will get it together and embrace a revitalized World Trade Organization; the trading arena splits into competing coalitions and trade blocs outside of the WTO; technology races ahead of rule makers, creating a borderless world for some, but with great uncertainty and inefficiency; or the Trumpian approach of “sovereignty first” prevails, ushering in an era of minimal cooperation, unilateral trade barriers, and inefficiency.

It’s difficult to predict which of those outcomes is most likely. We are seeing a revival in “managed trade,” most notably in the the U.S., where the Trump administration has insisted on provisions such as voluntary export restraints. There also is increased fragmentation, as like-minded countries seek trade agreements. This could re-energize the WTO process, but it could also lead to competing rules and standards that make global commerce less efficient (some are already talking about the “splinternet”).

A third condition is the weakening of the WTO, which is facing its most fundamental crisis since it was formed in 1995, as the U.S. blocks nominations to the appellate body and a group of countries challenge the U.S.’s use of national security as an excuse for tariffs. This crisis has effectively removed the WTO as a potential place where the clash between the U.S. and China could be sorted.

The WTO’s future will depend on restoring confidence in a rules-based approach to global trade and ensuring that all major economies remain part of the system. **The reform agenda could include an understanding on how to address state-sponsored capitalism; new rules for the digital economy, including e-commerce and data flows; and an openness to allowing developing countries to play by different rules than richer countries.** The best way to advance these issues at this stage probably involves variable geometry, with greater participation by emerging markets in setting the rules, and a more effective

dispute resolution system.

It might be necessary to put an emphasis on regional management (an Asian monetary fund, for example), while de-emphasizing global management. To be sure, a fragmented form of trade governance could have implications for value chains. But those value chains might be able to resist the current storm. Trade evolves slowly. The Uruguay Round started in 1986 and took a decade to complete—so it took a couple of decades for real change to occur. We are seeing other agents of the global system resist the Trump agenda. These agents could persevere, as Trump could be gone from office within a couple of years. The fight with the U.S. could be causing a critical mass of global actors to realize the value of the system that has been put in place.

Still, it seems naive to hope that the status quo will survive the storm. When China entered the WTO, there was an idea that there would be a convergence of systems. The differences were actually quite small. The philosophical gap now is large. There will be no convergence soon. That will cause problems. Consider artificial intelligence. China, Europe and the U.S. all aspire to dominance, but their conceptions of privacy are very different. Generally speaking, the nation with the weakest privacy controls will have a competitive advantage. How will these three come together in trade talks? Can they?

“There are still gains to trade, but I don’t think a system with a single set of regulatory frameworks is going to apply.”

Joseph Stiglitz
CGET Co-Chair

Will the world have three AI regimes?

These sorts of questions are the ones that need to be addressed. Of the four outcomes for global trade, a world of competing coalitions appears most likely. And it’s probably wrong to anticipate that the trade tension disappears with Trump. Rather, it feels a lot like the 1980s, when the U.S. sought to restrain a different rival, Japan. The White House isn’t the only American institution that wants to take on China. This confrontation will cast a shadow over the global economy for some time to come.

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The Commission on Global Economic Transformation (CGET) is a project of the Institute for New Economic Thinking.

For more information, please visit ineteconomics.org
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