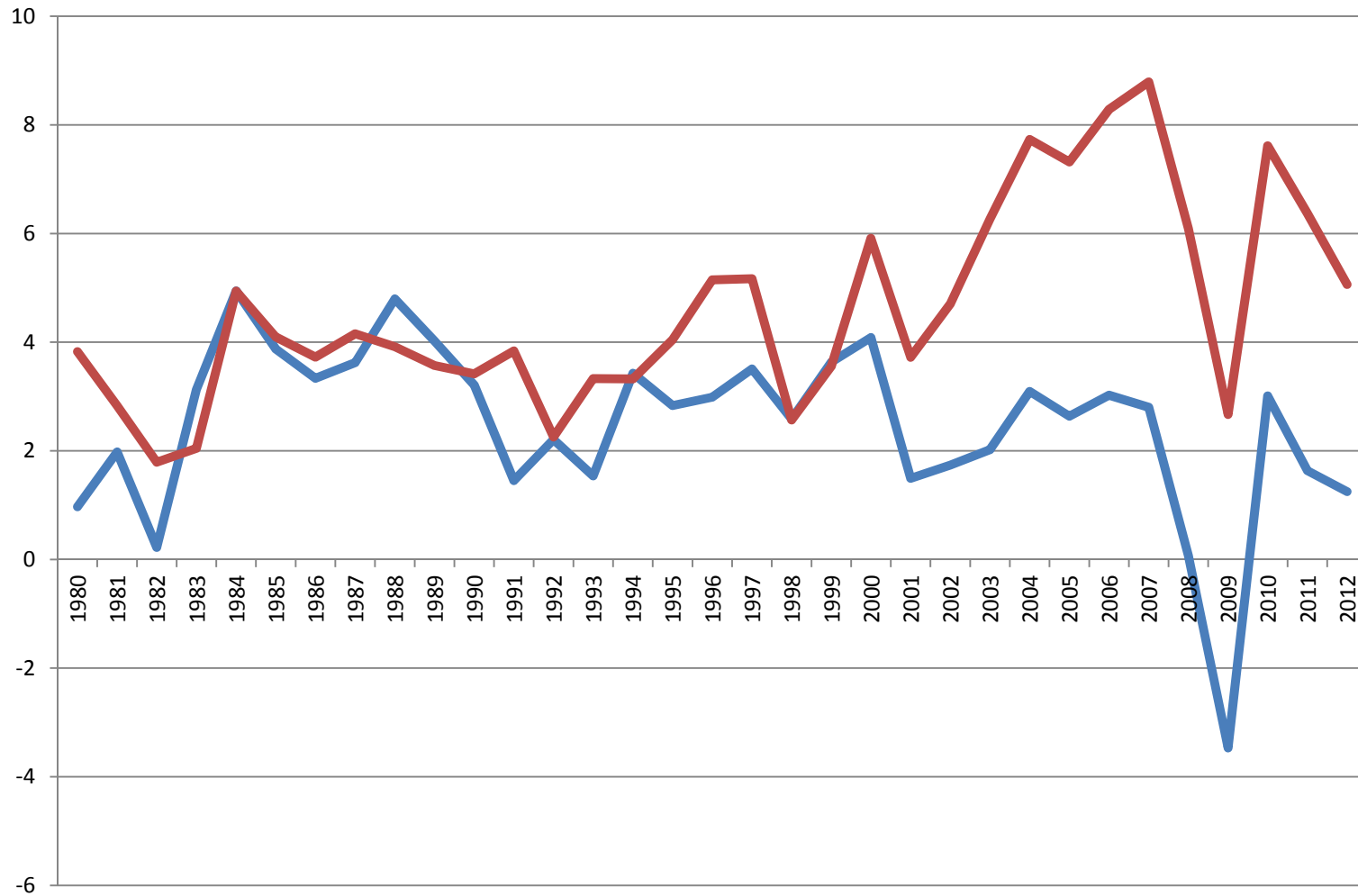


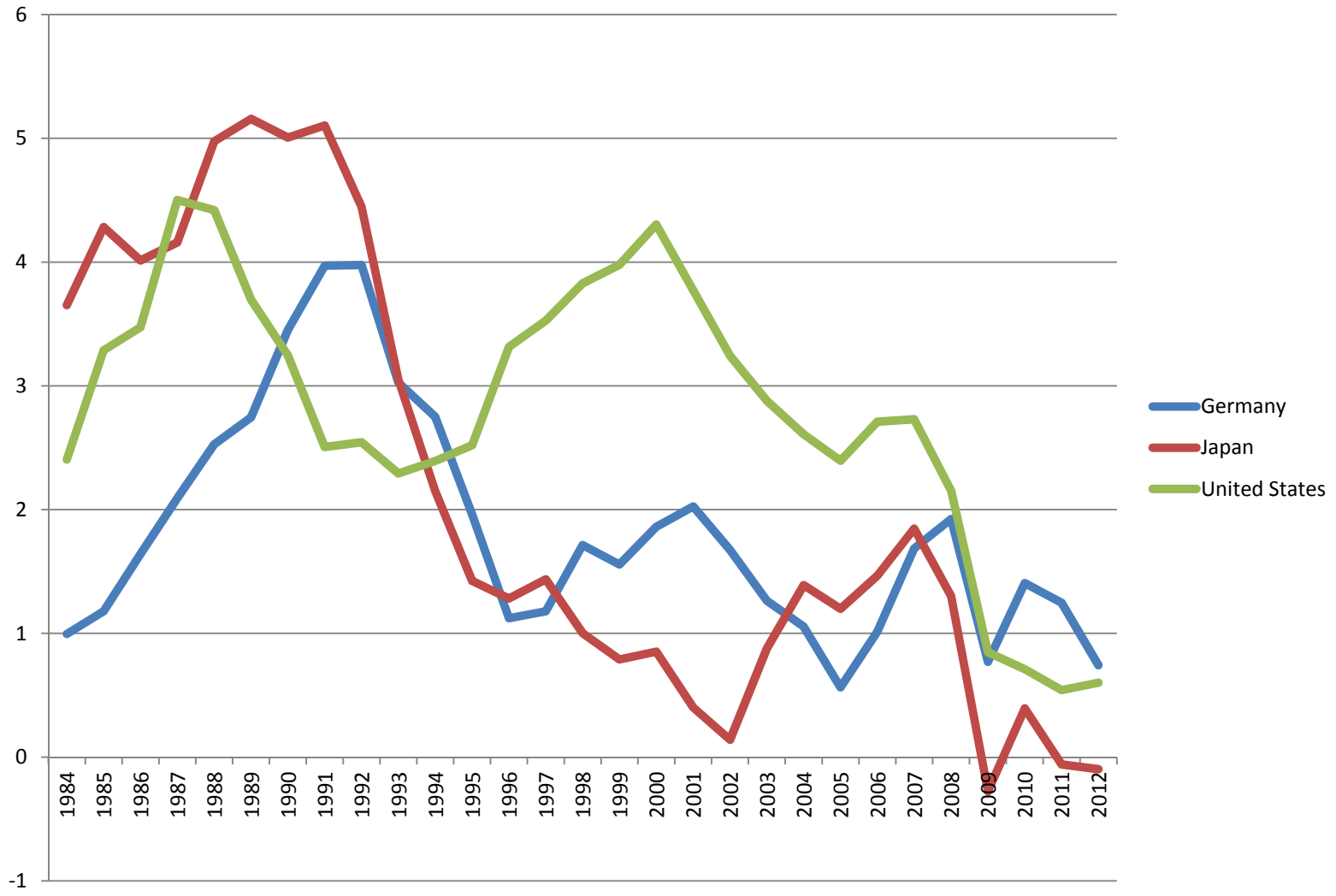
# ANNUAL GROWTH OF GDP OF DEVELOPED AND DEVELOPING COUNTRIES, IMF DATA



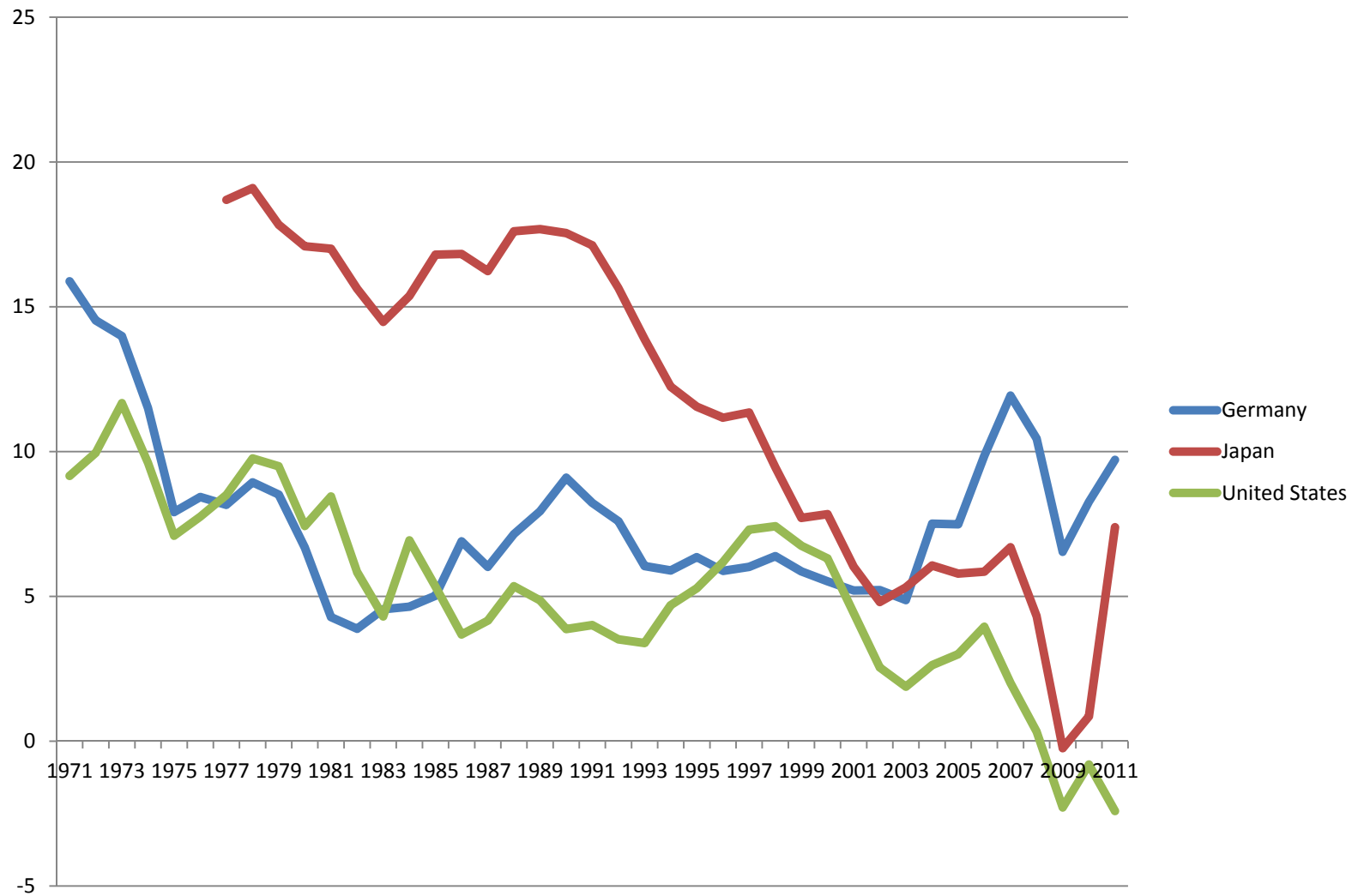
Developing Countries

Developed Countries

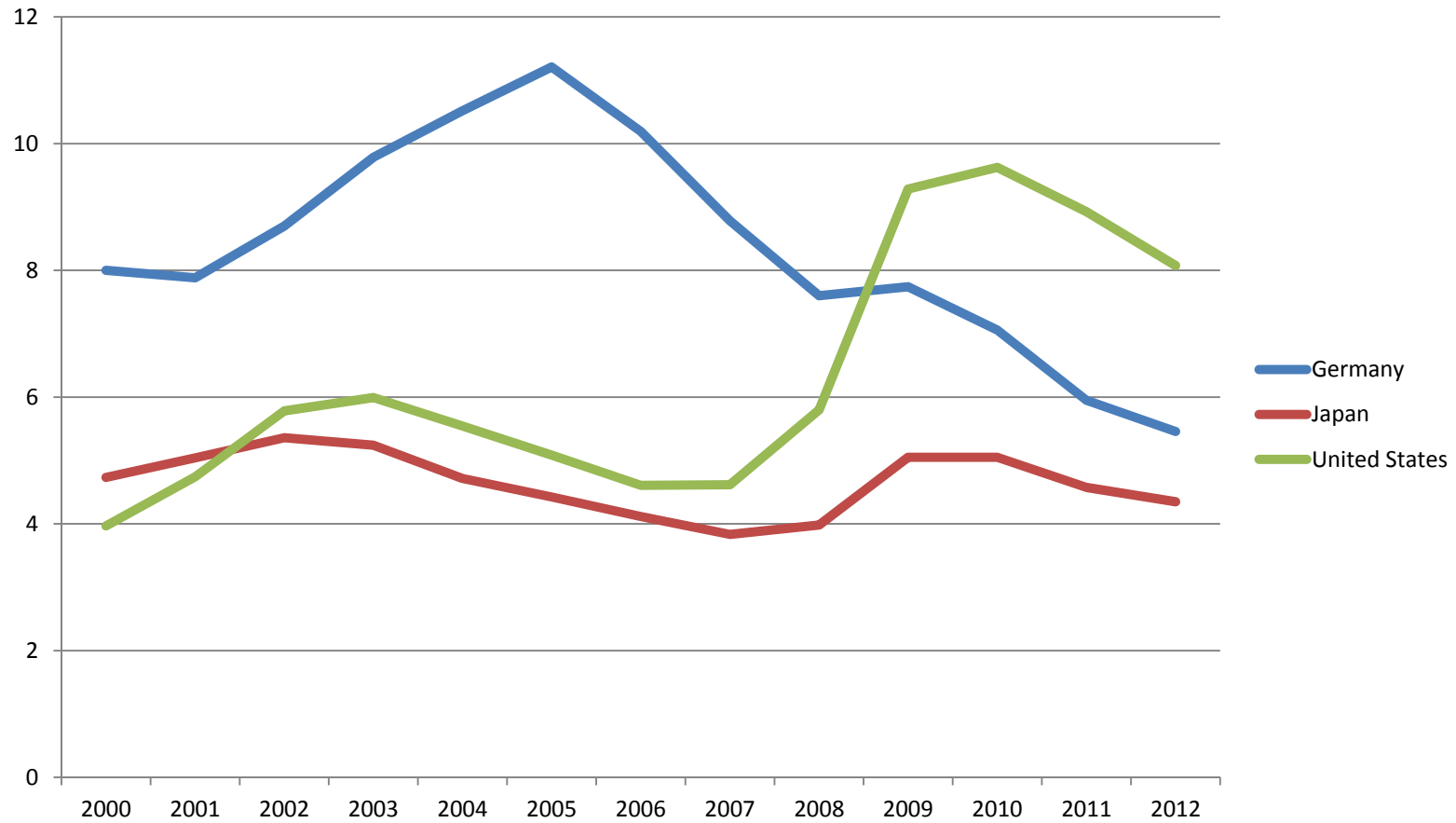
# GDP Growth Rates, 5-Year Moving Averages, Germany, Japan, and the US



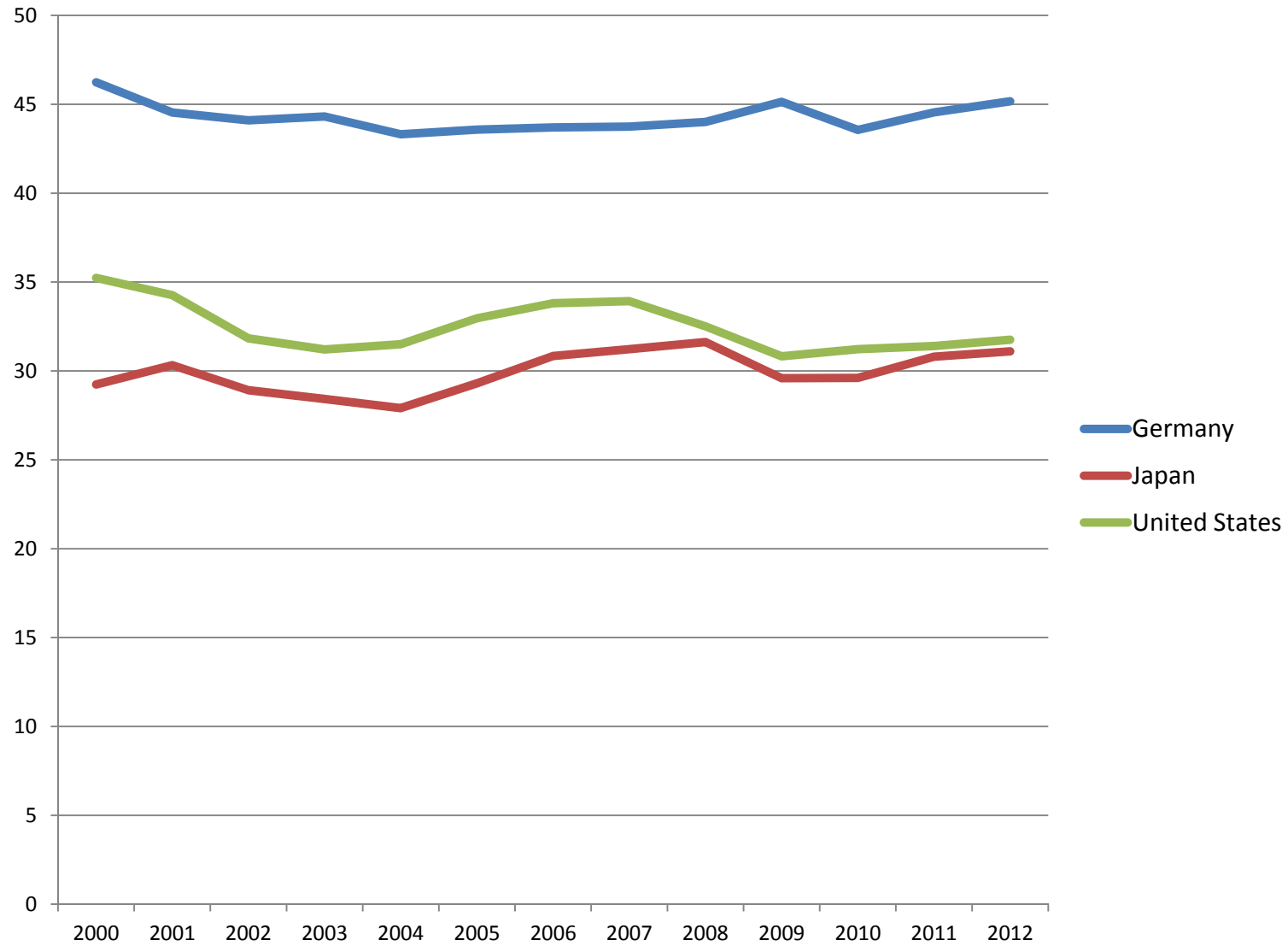
# NET NATIONAL SAVING RATE, WORLD BANK DATA, 1971 - 2011



# UNEMPLOYMENT RATE, GERMANY, JAPAN, AND THE UNITED STATES, 2000-2012



# GENERAL GOVERNMENT REVENUES AS SHARE OF GDP



## MATURE ECONOMY SYNDROME

1. High Capital-Labor Ratio
2. Aging Population and Low Population Growth
3. Falling Saving Rate
4. Hollowing Out of Industry (Off-shoring)
5. Technological Unemployment
6. High-Cost Infrastructure
7. Strong Vested Interests (Policy Sclerosis)
8. Underestimate of Real ICT-based Growth
9. Potential Bubbles in Transition to Low Growth

## **SOME MACROECONOMIC POLICY IMPLICATIONS**

1. LOW GROWTH IS STRUCTURAL, NOT CYCLICAL
2. NEW SOURCES OF GROWTH SHOULD BE SOUGHT IN ADVANCED SKILLS, TECHNOLOGY, AND SERVICE ECONOMY (INCLUDING EXPORTS)
3. NEW MARKETS SHOULD BE SOUGHT IN EMERGING ECONOMIES, ESPECIALLY AFRICA AND ASIA
4. TECHNOLOGICAL ADVANCES SHOULD AIM FOR ENVIRONMENTAL SUSTAINABILITY (LOW CO<sub>2</sub> EMISSIONS, WATER MANAGEMENT, BIODIVERSITY CONSERVATION, CLIMATE RESILIENCE)
5. GDP SHOULD BE BETTER MEASURED

## **SOME STRUCTURAL POLICY IMPLICATIONS:**

- 1. ENSURE HIGH LEVELS OF SKILL TRAINING**
- 2. INVEST HEAVILY IN HIGHER EDUCATION, R&D, AND INFORMATION AND COMMUNICATIONS TECHNOLOGIES**
- 3. DEPLOY ADVANCED SCHOOL-TO-WORK PROGRAMS**
- 4. DEPLOY FLEXIBLE EMPLOYMENT MODELS**
- 5. (E.G. WORKSHARING)**
- 6. ADEQUATE TAX REVENUES TO FUND SOCIAL SAFETY NET**