



Uneven Growth Prospects of Advanced v. Emerging Countries

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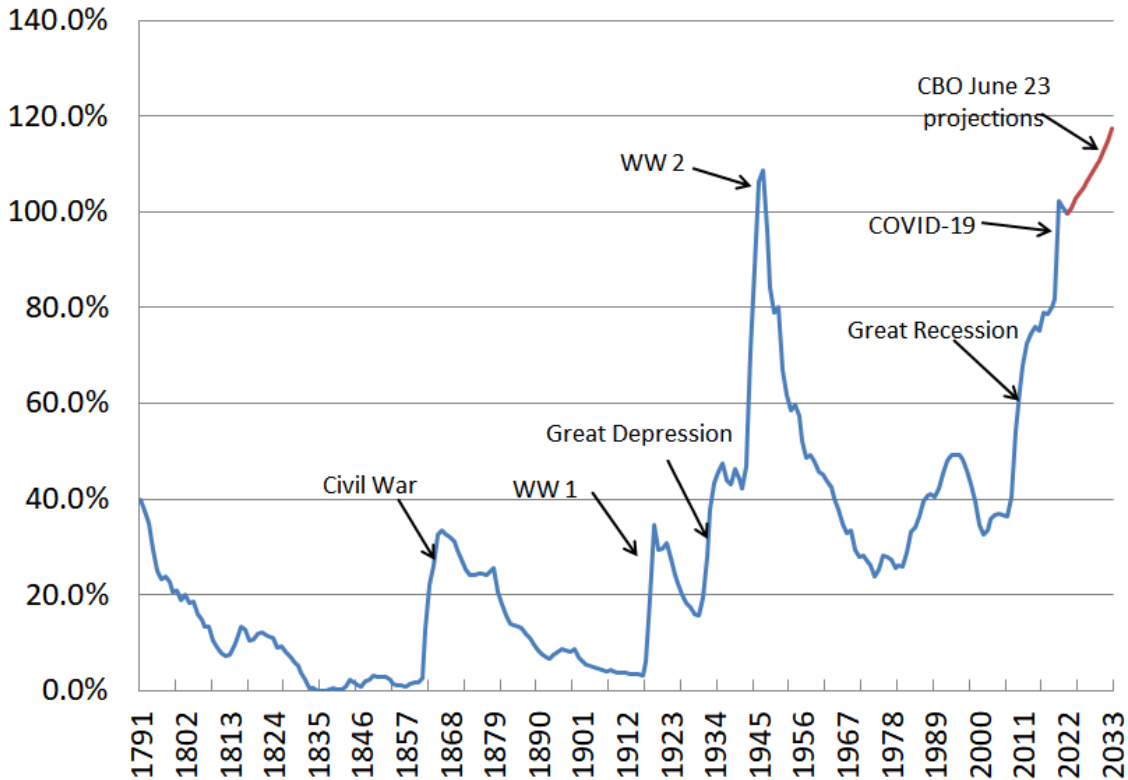


Advanced economies

1. Miracle soft landing or eye of the storm?
2. Asynchronous growth (U.S., Japan vs. EU, Canada)
3. Surge in debt and unfunded entitlements require major fiscal adjustment (more tools for U.S. but politically unlikely everywhere)
4. High risk of financial instability (regional banks, comm. real state, Treasuries' leveraged basis trade)
5. De-globalization? (trade slowdown & concentration, reduced capital mobility)
6. Demographic fragility and climate transition risks



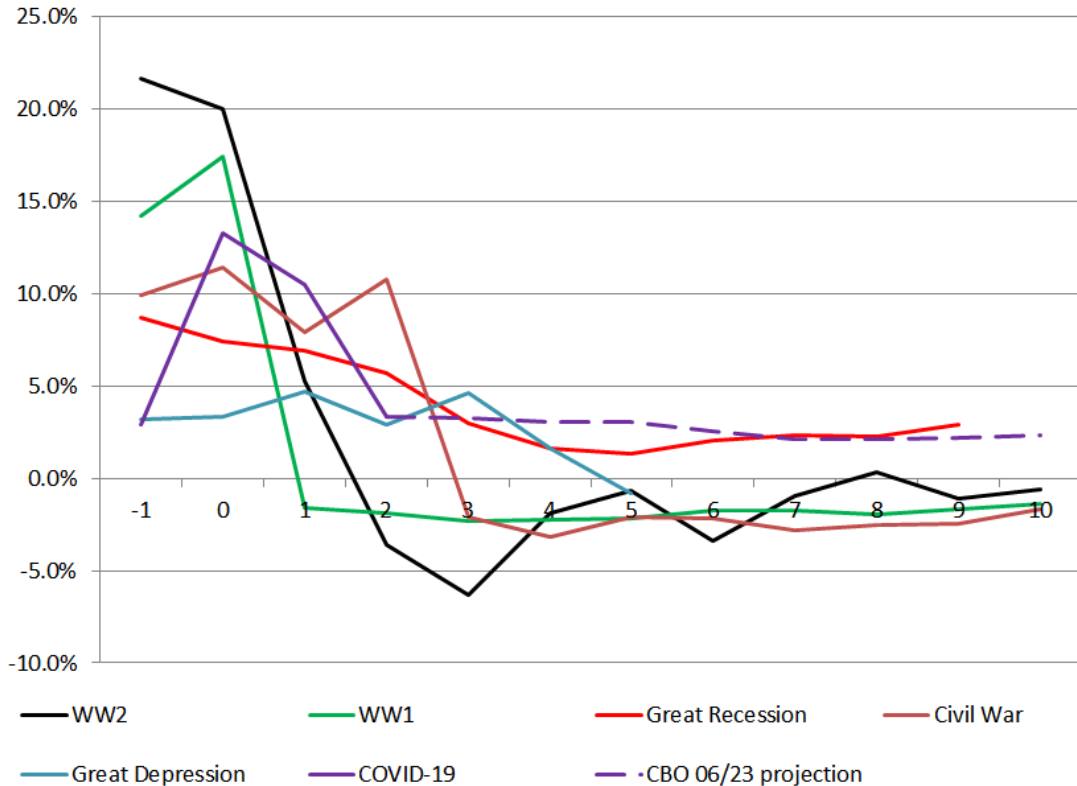
U.S. (federal) net public debt ratio



Bohn (2013) dataset 1791-2012, CBO 2013-2033



U.S. primary deficits after debt spikes (percent of GDP)





Emerging economies

1. Seemingly successful disinflation with sticky core inflation and growth slowdown (except Argentina, Russia & Turkey)
2. De-globalization and reshoring
3. China malaise (recession, financial fragility, B&R debt crises, drag on world commodity prices & trade, demographics)
4. Risk of systemic liquidity crisis, CLAAF's EMF proposal (June 2023 statement [Urgent: The IMF Must Reform](#))
5. Institutional and political fragility (e.g., AMLO's Maximato in Mexico, Milei's shock in Argentina, Chile's constitutional crisis, narco-dominance etc.)
6. Climate risks, forgotten/reversed structural reforms (education, health, energy, competition, social security,...)