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International Symposium

Beyond the Crisis: From Recovery to Long-term Sustainable Development of the World Economy

Shanghai, April 7-8, 2010

Venue: Multifunctional Room
Shanghai Institutes for International Studies
195-15 Tianlin Road, 200233 Shanghai

The deepest economic crisis since the Great Depression in 1929 has led to an unprecedented concerted effort of the major industrial and emerging economies to stabilize the global economy. Massive counter-cyclical deficit-spending by governments, the injection of huge amounts of liquidity and the bailing out of failing banks with guarantees and capital injections prevented a free fall of the world economy. In the meantime, the global economy appears to be expanding again pulled up by the strong performance of Asian economies and stabilization or modest recovery elsewhere.

However, this recovery is not yet on a solid footing. Unemployment is still rising, economic growth continues to be largely driven by government stimulus measures and unwinding them too quickly could result in a 'double dip' recession. On the other hand and backed by cheap and easily available liquidity, investors have returned to stock and other asset markets boosting again share and commodity prices. This raises a number of questions. How long must fiscal and monetary stimuli remain in place? How must exit strategies by governments and central banks be devised to avoid extended economic stagnation while preventing new asset bubbles as well as the built-up of unsustainable public debt? Are policy responses adequate to deal with the root causes of the crisis, regulatory failures of financial markets that led to reckless and irresponsible risk-taking and unsustainable global imbalances in particular?

To sustain recovery over the medium term some rebalancing of global demand between current countries deficit and current account surplus countries will be necessary. To offset unavoidable adjustments in economies that have typically run current account deficits, the U.S. in particular, many economies that have run current account surpluses will need to rely more on domestic demand and imports. The question is: do their policy responses to the crisis already show signs of adjustments to their past growth strategies that point into this direction?

At the same time the turbulences created by the financial crisis provide a window of opportunity to kick-start processes of structural change towards a low-carbon, resource and energy-efficient world economy in line with the imperatives of mitigating climate change. Some of the fiscal stimulus packages already contain elements of a "green recovery", that can lead to the creation of new "green jobs" and a more sustainable pattern of growth. Although "greening the economy" alone is certainly not the sole answer to global recovery in the short term, its long-term growth potential appears to be huge. What are the potential growth areas and what are appropriate policy measures and instruments that must be put in place to harness this huge potential both nationally and internationally?

In response to the financial crisis, the G20 has emerged as the major forum for international economic co-operation. Although G20 is also another 'club' and not a multilateral organisation, it is a club that brings major emerging economic powers from the Global South to the negotiating table, unlike the G8 which dominated global economic governance over the last 30 years. However it remains to be seen if this forum can provide effective leadership to bring the world economy onto a new and sustainable growth path. Issues to be discussed revolve around the G20's current agenda and performance, its structures and working modalities and how they must evolve if the G20 was to become more institutionalized, its relationship with other global economic governance structures and issues of legitimacy.

With a high level symposium the Friedrich-Ebert-Stiftung (FES) and the Shanghai Institutes of International Studies (SIIS) intend to promote a dialogue between experts and policy makers from industrialized, emerging and developing countries on the future of the world economy beyond the current crisis. The following issues should frame the debate:

- From the global financial crisis to recovery: how stable and at what cost?
- Sustainable development: rebalancing and greening the economy?
- G20: A new global governance framework for sustainable development?

PROGRAMME

Tuesday, 6 April 2010

All day	Arrival of participants
17:45	Meeting at Hotel Lobby for departure to restaurant
18:00	Welcome Dinner – hosted by FES Venue: Hengshan Picardie Hotel

Wednesday, 7 April 2010

09:00 – 09:30	<u>Opening</u> Welcome by YANG Jiemian, President of SIIS Welcome by FES
09:30 – 12:00	<u>Session I: From the Global Financial Crisis to recovery: how stable and at what cost?</u> <ul style="list-style-type: none">➤ Has the global economy returned to pre-crisis stability?➤ Should the stimulus programmes come to an end or be maintained? For how long?➤ Are bubbles in asset markets already a sign for the next crisis to come?➤ Are there losing and winning countries?➤ How is the divide between industrialized countries, emerging economies and non-developed countries changing? <p>Moderator: YANG Jian, Vice President of SIIS (<i>tbc.</i>)</p> <p><u>Presenters</u></p> <ul style="list-style-type: none">• Prof. XU Mingqi, Deputy Director, Institute for World Economy Studies, Shanghai Academy of Social Sciences• Dony Alex, Research Associate, Indian Council for Research on International Economic Relations – CRIER• Dr. Till van Treeck, Macroeconomic Policy Institute (IMK) in the Hans Boeckler Foundation, Germany• Dr. Neva Makgetla, Lead Economist, Development Bank of Southern Africa, South Africa• Prof. SONG Yuhua, School of Economics, Zhejiang University <p>Tea Break Discussion</p>
12:00-14:00	<hr/> Lunch Break (venue: Yi He Xuan Restaurant) <hr/>

Day One (Continued):

14:00 – 17:00 **Session II: Sustainable development: rebalancing and greening the world economy?**

- Is the global economy more balanced or will the imbalances between current account deficit and surplus countries last?
- How did major export countries with high current account and capital account surpluses adjust to the crisis? Do their recovery programmes show signs of a new policy paradigm?
- Did the fiscal stimulus programmes contain significant structure changing investment towards a green economy?
- Is there need to lay down a new regulatory framework for a more sustainable growth pattern?
- What are the areas which need more attention? And what are the instruments?
- How did Copenhagen Conference impact the prospect of greening the world economy?

Moderator: **Dr. Thomas FUES**, Head of Department, German Development Institute

Presenters:

- 15 min • **Dr. Li Zhiqing**, Deputy Director, Center for Environmental Economic Studies, Fudan University, currently Visiting Scholar of Yale University
- 15 min • **Takafumi IKUTA**, Research fellow, Fujitsu Research Institute, Japan
- 15 min • **Michael RENNERT**, Senior Researcher, Worldwatch Institute, Washington
- 15 min • **Prof. Helmut Reisen**, Head of Research, OECD, Paris
- 15 min • **Prof. Alexandre de Freitas Barbosa**, Institute of Brazilian Studies (IEB)-University of São Paulo (USP)

Break
Discussion

17:00 **End of Day One**

Reception – Dinner: hosted by SIFS
Venue: Yi He Xuan Restaurant

Thursday, 8 April 2010

09:00-12:00

Session III : G20: A new global governance framework for sustainable development?

- Prospect of the institutionalization of G20?
- Which should be G20's agenda priority in this year and the next?
- How should G20 interact with other global governance bodies, especially G8?
- How should G20 play its premier role in promoting more sustainable world economy?
- How should G20 members coordinate more effectively within the framework?
- How should G20 facilitate the WTO Doha round dialogue?

Moderator: **WANG Guoxing**, Standing Deputy Director, Pudong Institute for the US Economy, Pudong Academy of Development (tbc.)

Presenters:

15 min

- **Dr. YE Yu**, Assistant Director, Institute for Economic Comparative Studies, Shanghai Institutes for International Studies

15 min

- **Dr. Seonjou Kang**, Institute of Foreign Affairs & National Security, South-Korea

15 min

- **Michael Clark**, Senior Adviser, US Congress, Washington
- **Dr. Thomas FUES**, Head of Department, German Development Institute, Bonn, Germany

15 min

- **Dr. Yulius Purwardi Hermawan** Head of International Relations Department, University of Parayhangan Bandung, Indonesia

Tea Break
Discussion

12:00-12:30

Closing

- **Hubert Schillinger**, Head of Globalisation Project, Friedrich-Ebert-Stiftung
- **CHEN Dongxiao**, Vice President of SIIS

Lunch (venue: Yi He Xuan Restaurant)

End of Symposium

Afternoon

Excursion for participants

Friday, 9 April 2010

Departure of foreign participants