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HAS THERE BEEN A STRUCTURAL CHANGE IN THE WORLD ECONOMY?

1. Present State of the World Economy

At the present time the world economy is in a position of mutually balanced disequilibrium. In a double-entry accounting system, the total balances always ought to add to zero. For example, the world's current account should sum to zero, eren though it does not do so empirically. This is a data problem, but some of the individual imbalances are so large that they cannot plausibly be accounted for on the basis of measurement error, alone; they are surely large imbalances that tend to be offsetting in a precarious balance.

It is hardly a state of equilibrium, especially not a state of stable equilibrium, to have large American deficits coexisting with large German and Japanese surpluses. In the United States, it is not only a matter of the external deficit on current account; it is also a matter of the large domestic deficit. This, too, is a serious imbalance. There are large pockets of unemployment, especially in Western Europe, but also in North America and throughout the developing world. These represent imbalances between labor supply and labor demand.

Other evidences of disequilibria are the existence of extremely large debtor balances among leading developing countries, large debtor balances among farmers in the United States, increasing numbers of bank (or other financial institution) failures in both the Unites States and Canada. Yet the world eco-

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nomy continues to recover, in an overall sense, from the widespread recession of 1979-1981. All parts of the world are not in a recovery phase; some parts are still in recession or in very preliminary stages of recovery; and growth is quite modest. The general prognosis is for continuation of this gradual process of recovery, although not, in the foreseeable future, at a healthy rate. The modest recovery pattern does little to alleviate the burdens of unemployment. It does not help the United States to get out of its internal deficit position. It does help restrain inflation. In fact, that is part of the story about why the present world economic situation is so far from full employment.

Two market manifestations of the imbalances in the world recovery have been high exchange values of the U. S. dollar and high real rates of interest. Some years ago, nominal rates of interest in leading industrial countries were unusually large. The U.S. prime rate was in excess of 20 percent. Under the pressure of the world debt situation and stagnant economies, interest rates have been brought down considerably, but inflation also declined by large amounts; therefore the real rate of interest has remained fairly high, in spite of the drop in nominal rates.

World suplies of oil and other commodities are excessive in relation to world demand; consequently we observe weak or falling commodity prices, for the most part. The weakness of oil prices ought to be a favorable sign for the world as a whole and for large oil importers, in particular, but the results are not entirely symmetrical with the past. The world suffered a great deal when oil prices went up so fast in 1973-1980. The world ought, correspondingly, to benefit when prices go down, but that has not been the case everywhere. This process is not entirely symmetrical. Some highly indebted or weakly positioned oil exporters, especially in the developing world, would be in a critical situation if oil prices were to come down significantly below $20 per barrel. Debtor countries who depend heavily on oil export earning would suffer from this unfavorable exposure as well as from earnings loss, as far as debt servicing is concerned.

The fact that the world does seem to be able to grow again, in a noninflationary environment, and the fact that the new technologies prosper in a way that is very attractive for capital investment, have led some economists to look upon present performance and its rate of change as things that are capable of being maintained indefinitely. They conclude that the structure of the world economy has changed in such a way that it is possible to have a continuing world recovery that is healthy, together with the continuing existence of areas of disequilibrium.

Can the recovery last, without some significant changes in policy or economic structure? That is a major question that I shall try to answer.

2. The Adjustment Process

Economic disequilibria are smoothed away, in the usual case, by adjustment processes. The law of supply and demand asserts that market price falls, when supply exceeds demand, in such a way as to wipe out the discrepancy. Similarly, price rises when demand exceeds supply. Price, wage rate, interest rate, exchange rate are leading examples of market adjustment variables that are supposed to move in an equilibrating way when an imbalance occurs.

If interest rates could fall by significant amounts, say by two or three percentage points (e.g., from 7.0 to 4.0 percent), then debt servicing burdens would be eased for developing countries; also the large servicing burden for the debt of the United States would be lowered so that the deficit gap would be narrowed, and fixed capital formation could be financed, all over the world, on easier terms. More capital investment would promote economic growth, beyond the rates of the concensus projection of mediocre growth. This, in turn, would contribute to the overall improvement of the stubborn unemployment problem.

The level of interest rates is partly an outcome of the natural market process; in this sense there is little point to mere wishing or hoping that rates would drop. But rates are also sensitive to monetary policy, and in this area we can do more than hope; we can encourage monetary authorities to act in an expansionary way, especially when the outlook for inflation is so favbrable.

Not only would an engineered decline in interest rates help, but also a currency rate adjustment could do much to alleviate the world disequilibrium position in current account imbalances. Interest rates should fall on average, but the fall in U.S. rates should be first and largest; this helps to bring down the dollar rate of exchange against leading currencies of partner countries. At the present time, interventions or threats of intervention by major central banks help to bring down the exchange value of the dollar. In the short run, that appears to be a successful operation, although it needs action on interest rates and domestic deficits in order to insure its success. A motivating factor behind decisions of financial authorities to intervene in currency markets has been the concern that the adjustment process toward a maintainable equilibrium would be severe and out of control - the "crash.landing scenario" - as opposed to a smooth and gradual process of returning towards balanced equilibrium - the "soft landing scenario".

The fall in oil prices is another leg of an adjustment process. Just as the dollar rose to spectacular heights that were considered unjustified by economic fundamentals; so did oil prices rise by unreasonable amounts after the embargo of 1973, because OPEC possessed, temporarily, an unusual amount of power over world oil markets. Now, that power has been considerably weakened, and oil prices have been coming down as a result of the condition of excess supply. If this drop, too, can be placed along a smooth and gradual path, then it can be constructive in helping the adjustment process.

Another input of the adjustment process, but one that does not promote economic stability, is the trend towards protectionism that prevails in a great part of the industrial world. In the United States, in particular, there is an unfortunate reaction to the severe trade imbalance, namely, to restrict imports by the erection of artifical barriers. Such economic policy adjustments will eventually lead to restraints in the growth of world trade, world production, and world employment. In a retaliatory environment of a trade war, even the country imposing the barrier will suffer, ang the world economic situation will be worsened; not improved. Trade wars are as destabilizing for the world economic situation as the arms race is for world political stability.

3. The Baseline Forecast

A principal reason for posing a question as the title phrase of this paper is that many economists, principally those who are responsible for the design of present economic policy and for the imbalanced state of the world economy, argue that the structure of the world economy has changed, that the world can continue to recover, perhaps even improve the rate of recovery, in the face of these disequilibria. They argue that these are market induced disequilibria; therefore they are all right. Or they argue that deficits do not matter very much if they are associated with tax cuts that weaken the public purse, for they ultimately want to shrink the influence of government and force a reduction in public spending. They argue along lines that are close to "ends justify any means" regardless of destabilizing imbalances that may occur. Some advocates are less Machiavellian, and simply declare that economic structure has changed in a way that permits continuing progress, modest at that, in association with large deficits. They argue that the world debt situation is manageable, for the developing countries have no alternative but to honor their past financial commitments, and they are seemingly unconcerned about the high rates of unemployment and bankruptcy.

The consensus forecast for the leading industrial countries of the world and, indeed, for the world economy as a whole is for continuing moderate growth at an expansion rate of about 3.0 percent annually, with continuing success in the containment of inflation at an annual rate under 5.0 percent. There will be some stronger growth years and some weaker years, manifesting cycles of growth recession or boom but without a severe downward correction in sight, i.e. no negative movement in world GDP. All parts of the world economy do not fare equally. Developing countries, for the most part, are expected to grow a bit faster than others, but they also have more rapidly expanding populations to contend with and a much greater distance to go towards a reasonable level of living. Centrally planned economies are at about the world average, in terms of growth, but China is outstanding at the present time. The economic reforms are encouraging growth rates near 10.0 percent per year now and may settle at a rate of 6.0 to 8.0 percent for some time.

World trade is on a slightly higher expansion path than world GDP - between 4.0 and 5.0 percent annually. These rates of expansion, while not showing an indication of breakdown are not strong enough to cope with the unemployment problem. There are more than 30 million people unemployed in the OECD area, and this number is not likely to decline during this decade. This level of unemployment constitutes more than 9.0 percent of the labor force, growth rates of 4.0 percent or more would be needed in order to bring it down. When the United States had a recovery surge from recession during 1982-1984, the growth in production brought the unemployment rate down from 10.0 to 7.0 percent, a good drop but far short of full employment, and the consensus projection for the United States shows only mild progress in achieving further reductions in the unemployment rate.

Large American budget deficits in the neighborhood of $200 billion persist in this consensus forecast, but as a percent of GDP ther is a tendency for the <u>rate</u> to fall - by about 0.5 percent in the U.S., but by about 1.0 percent in other industrial countries. The current account surplus of Japan is ixpected eventually, to decline, after another year or two of expansion. Correspondingly, the current account deficit of the United States may eventually contract a bit. In neither case is there an approach towards equilibrium. These findings could be understatements if the present intervention operations continue forcefully. When the dollar depreciated during 1977-1978, an American current acccount deficit fell from about $15 billion to balance by 1979-1980 and surplus in 1981. There could be more significant convergence on the part of Japan, Germany, the United States, and others towards equilibrium in the present situation, but the amount of dollar depreciation under the conditions of a"soft landing" appears to be too small to bring about full equilibrium.

In terms of the underlying subject of this essay, it has been asserted that a dollar depreciation now will have less of an equilibrating influence on the current account than it did during 1977-1979 because the structure of the economy has shifted away from manufacturing towards the provision of services. There is an implicit idea in this argument that manufactures are more sensitive than services to changes in the exchange rate. Against this point of view, I would argue that American manufacturing may recover a bit of its lost position if the dollar rate falls and remains lower. It takes time for adjustments to work themselves out in the field of international trade, say two to three years, at least. A more important point is that services ("invisibles" in the trade accounts) are quite sensitive to exchange rate changes. Tourism, transportation, and, especially, factor payments are quite sensitive. Receipts of interest, dividends, profits, and other factor earnings suffered greatly when the dollar was very strong. Foreign earnings converted into relatively few dollars during this period of strength. These earnings should fare much better after the dollar falls and remains low. The United States has, for some years, covered its merchandise deficit with an invisible surplus, and there is no reason to expect that structural characteristic to change very much. I would argue that economic parameters have not changed; the structure remains intact, but exogenous variable inputs and outcomes do change.

Consider the debt problem confronting the developing countries. It has been defused; there is no crisis atmosphere such as that which existed during the second half of 1982, when Mexico first announced its inability to meet service payments. But the problem has, by no means, been resolved. A resolution of the problem requires three conditions:

(i) renegotiated obligations must be currently serviced;

(ii) maturing debt must be rolled over regularly;

(iii) developing countries must be able to negotiate new loans for growth and development.

For a while, it appeared that (i) was being met, but that is no longer the case. Mexico, where the biggest early adjustments to the internal economic performance were made has suddenly become unable to cope. Lower oil prices and earthquake relief exacerbate the situation. Bolivia and Peru are technically in default.

It does not appear, upon consideration of these three points above, that the debt problem is yet being brought to resolution.

It continues to pose a serious problem for the world economy with political overtones because the rounds of austerity that have been imposed by major debtor nations have not been successful when viewed from a longer term perspective, and fresh rounds of austerity appear to be out of the question, from a political viewpoint. Solutions that are based on growth policies, not austerity policies, are what are needed.

These are very general considerations, but a more definite exercise in debt accounting reveals some of the issues from a quantitative point of view. From the identity.

$$D_t = D_{t-1}(1 + r_t) - NX_t,$$

when

D_t = debt outstanding at the end of period t,

r_t = the U.S. prime rate (or LIBOR) plus a risk premium,

NX_t = net export earnings excluding interest payments abroad,

we can derive

$$\frac{D_t}{X_t} = \frac{1 + r_t}{1 + g_t}\left(\frac{D_{t-1}}{X_{t-1}}\right) - \frac{NX_t}{X_t}$$

when

g_t = growth rate of exports.

All variables are denominated in the same international numeraire, such as current U.S. dollars.

If net exports (exclusive of interest payments abroad) do not grow, then a necessary stability condition for the debt-export ratio is

$$\left|\frac{1 + r_t}{1 + g_t}\right| < 1.$$

Thus, the interest rate charged to developing countries on their debt should be less than the growth rate of their dollar denominated exports.

LIBOR rates are estimated to lie between 7.0 and 10 percent annually from 1986 to 1990. The U.S. prime rate is presently set at 9.5 percent and should come down a bit as other U.S. short term rates recede, but should come back up as "crowding out" - pressures from the continuing U.S. budget deficit are felt over the next few years. The projected growth rates for exports by the developing countries also lie between 7.0 and 10.0 percent, from this date to 1990. With some allowances for risk premia of one or two interest rate points, it does not seem likely that the growth rate of exports will dominate the interest costs to the developing countries and their debt-to-export ratio should be rising; not disastrously but, yet, rising. A conventional credit-worthiness indicator in banking circles is a debt-export ratio (D/X) of 2.0 or lower. The heavily indebted developing countries have much higher ratios, and there is little prospect for their declining to preferred levels. Net exports by developing countries contribute little to the stabilization of the debtexport ratio. The merchandise balance is expected to decline steadily over the next five years. The main development that could turn the situation around would be a major gain in primary commodity prices, especially if the U.S. dollar continues to fall. There is an allowance for a small improvement of about 5.0 percent yearly in these forecasts, which are those made by CISI-Wharton in their world outlook, October, 1985. The gains would have to be much stronger in order to improve the debt outlook for the developing countries.

This overall world forecast has some disequilibria improving a bit, on a gradual basis, but there are few complete adjustments, and many imbalances persist, such as high unemployment, high debt, large U.S. budget deficits, and a number of other gaps. But with slow growth and gradual adjustment some corrections are being made to the valuation of the U.S. dollar and eventually to the U.S. current account deficit. Correspondingly the Japanese and German surpluses should recede. This is a slow growth-poor performance adjustment. It has the characteristics of a "soft landing" scenario, but it is dangerous because it leaves the world economy less than completely healthy and thus vulnerable to external shocks.

We cannot rule out the occurrence of a "crash landing", especially if the adjustment for the U.S. dollar is not well engineered. So far, the processes of adjustment set in motion by the September 22nd action of the G-5 finance/treasury authorities are working well and in the right direction, but it is too early to tell whether they will succeed and whether they can forestall a disorderly dollar adjustment.

Another view of this adjustment process is that the world economy is entering the downswing phase of a Kondratieff cycle. A protracted decline, starting from a slowdown in the rate of growth, could make the disequilibria more pronounced and enhance the possibility of a "crash landing". I, personally, do not see the solid statistical evidence of a long swing, but some interesting analyses of this case have recently been put forward by S. Menshikov and L. Klimenko.

4. Can a Corrective Policy Mix Be Found?

Given that the best estimte of future development for the world economy is the easy landing path, with moderate growth and the stubborn persistence of significant areas of disequilibrium, is it possible to recommend alternative policy inputs that would improve the situation? Improvement is being sought to make the world economic system less vulnerable to external disturbances. It is a matter of trying to insure the realization of a "soft landing" and avoidance of conditions that are liable to give way to the "crash landing" scenario. Such recommendations are not unique, and they are not risk-free, on implementation, just as the consensus base line projection, itself, is not risk free. Nevertheless the policy recommendations do appear to be attractive in the sense or helping bring about a better development for the world economy.

The underlying philosophy behind the policy proposals is that behavior and economic structure have not changed but that exogenous inputs have changed. With the same structure and with new inputs it is expected to be able to change the system in the desired direction; no allowance is made for structural change as a result or by-product of the existing set of economic imbalances.

There is good agreement among economists and it is indicated by LINK model simulations that combinations of policies, coordinated across countries could greatly improve the world economic situation:

(i) the United States should simultaneously tighten fiscal policy and compensate for this with easier monetary policies; moves towards protectionist legislation should be dropped.

(ii) Japan should provide a significant domestic fiscal stimulus, accompanied in part by a monetary policy that enhances imports;

(iii) other OECD countries should also provide domestic stimuli, either from the fiscal or monetary policies, or both together.

It is expected that a tighter fiscal policy in the United States - reduced public spending or tax increases, or both - would contribute to the reduction of the budget deficit. To be effective, the spending cutback would have to amount to at least $50 billion. An equivalent tax increase would work as well and some mixture of expenditure cut and tax increase would be even better because such policies have balance, a property that has been sorely lacking of late.

Lower interest rates, by about 2.0 percentage points, through easier monetary policy, would work, together with deficit reduction, in bringing low dollar exchange rates, thus contributing to America's trade position as well as the domestic budget position. Basic disequilibria of the American economy - internal and external deficits - would be mitigated by these policies. The monetary shift would approximately make up for GNP losses that would occur as a result of expenditure reductions.

Protectionist sentiment in the United States has built up because several industrial sectors have been hit significantly in the form of lost production and jobs, either because of high levels of imports, low levels of exports, or a high degree of foreign sourcing. Every afflicted sector will not benefit if the trade balance improves as a result of dollar depreciation, but in the short run, at least, the drive towards protectionism should be restrained as a result of a falling dollar, which tendency should be encouraged by the policy of deficit reduction cum easier monetary supply.

If Japan concentrates on domestic stimuli, it may be possible to divert some of their activity away from exporting to the world market, especially to the United States. A fiscal stimulus accompanied by a stricter monetary policy to bring up interest rates and the yen should help in the corresponding drive to bring down the dollar. A higher yen should help to restrain Japan's exports and encourage imports - just the opposite of the dollar medicine' s effect on the United States.

The dollar-yen rate is strategic, and it is responding significantly to the financial operations initiated on September 22nd, but more is needed in a fundamental way from Japanese and American fiscal-monetary policies. One other policy combination that has been suggested by some Japanese economists is an export tax cum import subsidy by Japan. In simulations with the LINK model, this appears (at a 10 percent rate for export tax and import subsidy) to bring down the Japanese current account surplus by as smuch as $15 billion after 3 years. It should, however, be accompanied by the fiscal stimulus package in order to keep up the level of economic activity in Japan and avoid a recession.

While the dollar-yen rate and Japanese-American trade friction are very important issues, the move against the dollar's value is more widespread. The dollar has initially fallen more against the yen than against Western European currencies, but the same tendencies towards appreciation should be maintained in other currencies, too, in order to have a more significant effect on reduction of the U.S. deficit on current account. In the same vein, in order to reduce European unemployment and improve world production activity generally, what is needed are expansionary domestic policies in a number of European countries. Their follow--through in world cyclical recovery has been too slight up to this point of time. European countries can use both monetary and fiscal stimuli to encourage domestic economic activity. The existence of budget deficits in a number of countries makes stimulative fiscal policy difficult to attain, but there is good sentiment in favor of more stimulative monetary policies in Europe on the part of many economists. If the result of monetary stimulus is to bring down European interest rates such policies must be carefully coordinated with American policies because U.S. rates will have to fall sooner and faster than other rates in order to weaken the dollar and, correspondingly, strengthen partner currencies.

Although the present situation is not healthy from an economic point of view, it does not present a position of despair. There is every reason to be hopeful since policies do exist, which are both feasible and at the disposal of governments, to take action to ameliorate present conditions, in the interest of achieving better world balance, of a stable sort.

5. Compositional Changes, Transitional Frictions, and Technical Progress

In many industrial economies, large changes are taking place; some sectors are expanding significantly and some are declining. People are shifting, out of the declining sectors into the expanding sectors but not at compensatory rates so that some of those who move out of the former move into the ranks of the unemployed. This is one of the main contributory factors to the rise of unemployment and its medium term stagnation. This is a major component of the fundamental disequilibrium that exists.

The interindustrial shifts that are occurring are generally considered to be evidence in support of the idea that structural change has occurred. In a sense it has, but that does not mean that the parameters of the system have changed, only that some exogenous inputs and some initial conditions (for contemporary re-initializing) have changed. Medium term projection simulations, let us say for 10 years, of a multisectoral model of the economy need not show identical or mutually proportional growth paths. Sectors ordinarily grow at different rates, and econometric models are fully capable of showing these differences. The generating of differences in growth rates (decline rates) is enhanced if the coefficients in the input-output core of a large scale multisectoral model are variables and not parameters. This view has long been prevalent in the U.S. models constructed at

Wharton Econometrics, for we have consistently shifted input--output coefficients as functions of relative prices. We could get similar results if these coefficients were to change on the basis of a priori technological information.

At any rate, there is ample scope for change and ample evidence of historical changes; therefore the shifting input--output coefficients in the mainstream multisectoral model can produce the now-familiar results shown in the accompanying tab. 1. In that table it is evident that model projections of high growth for:

communications

air transportation

machinery production

instrumentation

medical services

financial services

and many other sectors too, conforms to our intuitive notions about some effects of high technology, either in the hardware producing sector or in the using sector.

The figures in the accompanying table were generated from the baseline projection of the Wharton Annual Model, which uses a 53-sector input-output system, together with equations of final demand, income formation, and priceinterest rate-wage rate determination. These results show the kinds of industrial shifts that are taking place now and, yet, they are based on results from a single model that is assumed to be structurally unchanged for this exercise.

The churning of industrial composition is giving rise to protectionist sentiment, which, if acted upon, would only serve to make today's problems worse by causing a slow growth rate in world production, world unemployment, and a decline in world trade. It is also giving rise to net job displacement; that, too, fuels protectionist sentiment. Bur some relief is in sight. Faster growth through exercising the above policy options for central governments helps a great deal. But a principal factor in improving the productivity-unemployment relationships is a slowing of the rate of population and labor force expansion in the United

States. One boon in the form of a demographic dividend is taking place now, and should help Europe adjust some 5 to 10 years later. Labor force is now growing at no more than about 1.5 percent annually; whereas it used to exceed 2.0 percent. At the new lower figures, we can expect to see a decline in the unemployment rate in the near future. It means that American economists need no longer define full employment to occur when the uneployment rate is about 6.0 percent, or possibly higher. It appears to be plausible that the U.S. rate could fall to a range between 5 and 6 percent if the economy continues along the modest baseline projection path. If actual performance of the economy outpaces the moderate projection by the full point or two of faster growth, then unemployment could fall well below 6 percent, eventually between 4 and 5 percent.

Table 1

U.S. Real Value Added
Annual Growth Rate (%)

Specification	1951-1961	1961-1971	1971-1981	Forecast 1984-1994
1	2	3	4	5
All sectors	2.7	4.0	3.0	2.8
Agriculture, Forest, Fish	1.1	1.2	1.9	1.5
Metal Mining	2.4	1.6	0.1	-1.2
Coal Mining	-3.5	2.6	3.6	2.7
Oil/Gas	2.3	3.4	1.8	-0.7
Nonmetal Mining	3.3	3.4	1.3	1.8
Communication	6.2	8.0	7.4	5.0
Local/highway transport	-5.1	-2.8	-0.7	1.8
Motorfreight/warehouse	5.0	5.5	2.5	3.6
Rail transport	-2.0	0.6	-0.9	3.4
Water transport	-2.6	1.2	2.8	1.0
Air transport	10.5	11.2	3.2	4.4
Pipeline transport	4.4	6.6	2.5	0.7
Transport services	-1.5	1.0	3.5	2.3

Table 1 (contd)

1	2	3	4	5
Electric utility, private		6.4	2.9	2.8
Natural gas utility, private		4.7	0.3	1.4
Sanitary, private		7.1	6.1	2.9
Public and private utility		6.2	3.0	2.8
Residential construction		5.0	-4.7	0.5
Nonresidential construction		-1.0	-0.5	3.3
Other construction		2.7	1.5	3.3
Financial, insurance, real estate	4.9	4.2	4.1	3.0
Nonmedical services	3.2	3.4	4.1	2.9
Medical services	4.9	5.9	5.1	3.2
Wholesale/retail trade	3.0	4.6	3.0	2.8
General government	0.3	3.3	1.3	2.1
Federal government enterprise	2.4	3.7	1.3	2.3
State/local government enterprise	0.5	2.5	3.6	2.7
Lumber	-0.2	6.3	2.9	2.3
Furniture	1.3	3.6	4.0	3.1
Cement		1.4	2.2	1.2
Stone, clay, glass		3.0	1.4	2.9
Iron/steel		4.2	-3.3	0.4
Aluminum		14.3	0.5	2.3
Other nonferous		-1.5	5.3	0.1
Fabricated metal	2.0	3.9	2.2	3.1
Nonelectric machinery	0.0	4.5	5.4	5.9
Electric machinery	5.6	7.2	5.5	3.9
Motor vehicles	-0.9	8.1	1.5	3.4
Aircraft		0.3	1.0	2.4
Other transport equipment		5.7	3.3	2.2
Instruments	4.2	5.5	6.0	4.2
Miscellaneous durable manufactures	2.2	3.7	3.1	2.6

Table 1 (contd)

1	2	3	4	5
Food/beverages	2.5	3.2	2.7	2.2
Tobacco	1.8	1.5	1.4	1.1
Textiles	0.7	7.0	1.6	1.4
Apparel	1.1	2.7	3.3	2.6
Paper	2.2	4.3	2.5	2.3
Printing/publishing	3.1	3.4	2.4	2.5
Organic/inorganic chemical		6.0	-1.9	1.0
Other chemical		7.4	6.0	3.2
Petroleum refining	3.6	3.8	0.1	1.3
Rubber	2.2	7.0	3.6	3.3
Leather	-0.7	0.3	-0.3	-0.5

There is ample reason to be cautious in judging medium term economic growth and activity, but chances are good that an adjustment to new conditions will take place, always slower than desired, but presumably over the next decade or sooner. This provides a reason to be economically optimistic about the eventual evolution of the world economy. Under performance may well occur, and cycles have certainly not been eliminated, but a serious breakdown can be avoided if the vulnerability of the economy is lessened by the implementation of new policies that represent a break with the past, i.e. since 1979-1980. Our analytical problems are not primarily with structural change, but with changing inputs in a long lasting structural system.

Lawrence R. Klein

CZY W GOSPODARCE ŚWIATOWEJ NASTĄPIŁA ZMIANA STRUKTURY?

Gospodarka światowa znajduje się obecnie w pozycji wzajemnie bilansującej się nierównowagi, przy czym znaczna część świata jest w fazie ożywienia po recesji lat 1979-1981. Czy ożywienie gospodarki może przebiegać bez istotnych zmian w strukturze

i polityce ekonomicznej? Wielu ekonomistów uważa, że w gospodarce światowej dokonały się takie zmiany, iż możliwe jest przyspieszenie tempa ożywienia i procesów dostosowanych w warunkach nierównowagi.

Przeprowadzona została analiza gospodarki światowej na podstawie prognozy ekonometrycznej ("bazowej") i postawiona kwestia "miękkiej" i "gwałtownej" ścieżki wzrostu w aspekcie zadłużenia krajów Ameryki Łacińskiej, kursu dolara, wzrostu krajów socjalistycznych itp. Przedstawiono także pewne propozycje polityki gospodarczej, uzyskane na podstawie symulacji LINK-u, pozwalających na poprawę sytuacji ekonomicznej świata.