



НАЦИОНАЛЬНЫЙ ИССЛЕДОВАТЕЛЬСКИЙ
УНИВЕРСИТЕТ

No Economy except Global Economy

GROWTH AND TRAPS

12 –TH CONFERENCE ON GLOBAL ECONOMY

Professor Leonid Grigoryev

www.leonidgrigoryev.com

4.12.2024

Doubts - 2024

Main problems:

- + If there is catching up? Catching for what?
- How do the reconfiguration and fragmentation of the global economy of the last year affect the middle- and low-income economies?
- = The Great reversal...
- To which extent do commodity price volatility and inflation challenge the prospects of catch-up?
- = Slowdown of investments...
- To what extent will the debt burden limit the growth of middle- and low-income economies in the coming decade?
- Debt burden + Outflows
- EU as a problem = social burden, energy prices, climate obligation
- Societies of advanced countries do not give attractive example!

Deviations from the path to SDG? Or is there some path to sustainability? Is it all true below?

- SDG of UN 2015 are based on presumption that economists know the mechanisms = set of theorems to development.
- Behind each and every (not named separately) goals there is a set of nice positive natural trends as good roads... We just need to use them properly.
- Households are reasonable and tend to like equality and democracy. Inequality is temporal and slowly but disappearing. States actually must converge.
- Firms are maximizing somewhat somehow. And they must invest!
- Taxes must be low, social security should be sufficient.
- Financial markets are our beacons, oligarchs should donate...
- Central banks and their bankers are naturally independent!
- Governments are trying to achieve more than sticking to power, except autocrats of course. Economic policies are changing life as proclaimed.
- As general – elected by margin politics are always better than competent.
- Elites do not matter. Transaction costs matter! So what?
- Bretton Woods are bright! Debt is bad but unavoidable...
- Sky of blue and sea of green in our Yellow Submarine. We all live in a yellow S

Specific Traps for all



- Poverty trap for 10% of global population – waiting for 2 demographic transition
- Middle – income trap = Civil society is hardly waiting more equality and catching up.
- Reinvestment of income into wealth by 10th decils – rigidity of social structure.
- Gold billion above \$36 th. ppp by quintals!
- Relative inequality matters!
- Wealth trap is widening in a very natural way.
- Elections show the broken societies of leading countries. Ideology is back...
- Struggle for cultural codes – by strata disguised as by country. Elites' choice!
- Post industrial society was supposed to be much more in harmony, tolerance respect for variety of opinions. And also – more equality in education, health care etc. High level of GDP per capita has not brought it.
- It is more turbulent time than political elites are ready to recognize...
- Global problems – not only climate – must be attended.
- Migration is redistributing cultural problems while solving problems on labor markets of aging countries. Rigidity of social structure is cementing by migration.
- “Global Governance” will be a precondition for resolving global problems.
- No chance for Global Titanic to come ashore without important decisions and compromises.

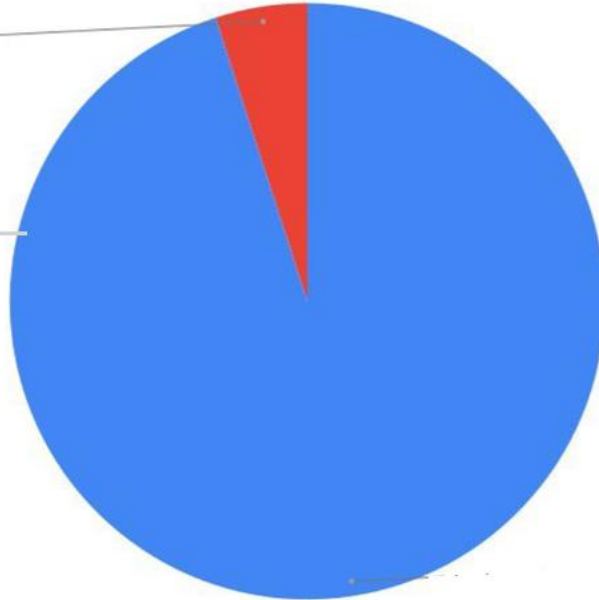
The party controls the legacy media as well as the academy

Journalist political contributions (2016)

Source: FEC Data (bit.ly/3PKM792)

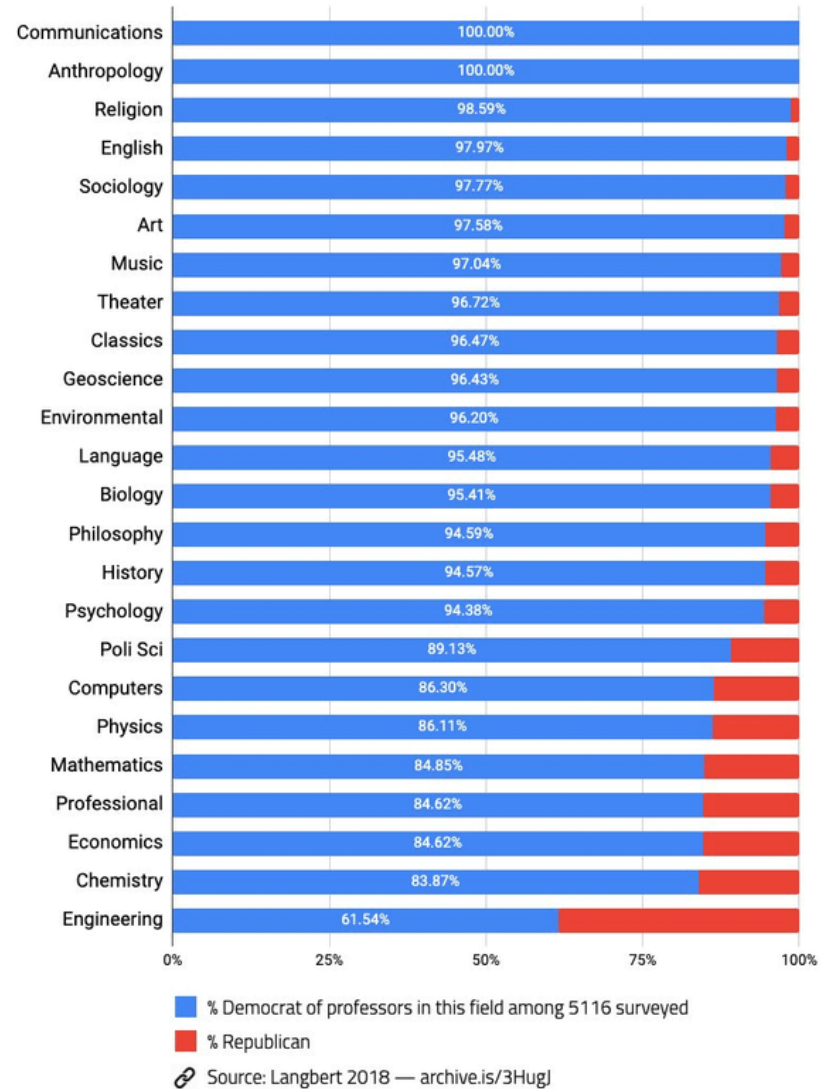
Republican
5.0%

Democrat
95.0%



PROFESSORS ARE DEMOCRATS

Therefore, "experts" are Democrats too.



Duality of elites: projects but retaining control

"To carry out major initiatives and perpetuate their holds on power, elites need non-elite support."

John Higley & Michael Burton

"Elite Foundations of Liberal Democracy",
2006, page 27.



Clusters' borders GDP PPP 2021

8

Границы кластеров по ВВП ППС 2021

Clusters	1992		2019		2022		2023	
	Low	Top	Low	Top	Low	Top	Low	Top
1	25 001		36 780		37 635		37 040	
2	15 001	25 000	22 069	36 779	22 581	37 634	22 224	37 039
3	10 001	15 000	14 713	22 067	15 055	22 580	14 817	22 223
4	5 001	10 000	7 357	14 712	7 528	15 054	7 409	14 816
5	2 301	5 000	3 385	7 356	3 464	7 527	3 409	7 408
6	1 301	2 300	1 914	3 384	1 958	3 463	1 927	3 408
7		1 300		1 913		1 957		1 926

<https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.KD>

Источник: расчет на основе данных Всемирного банка



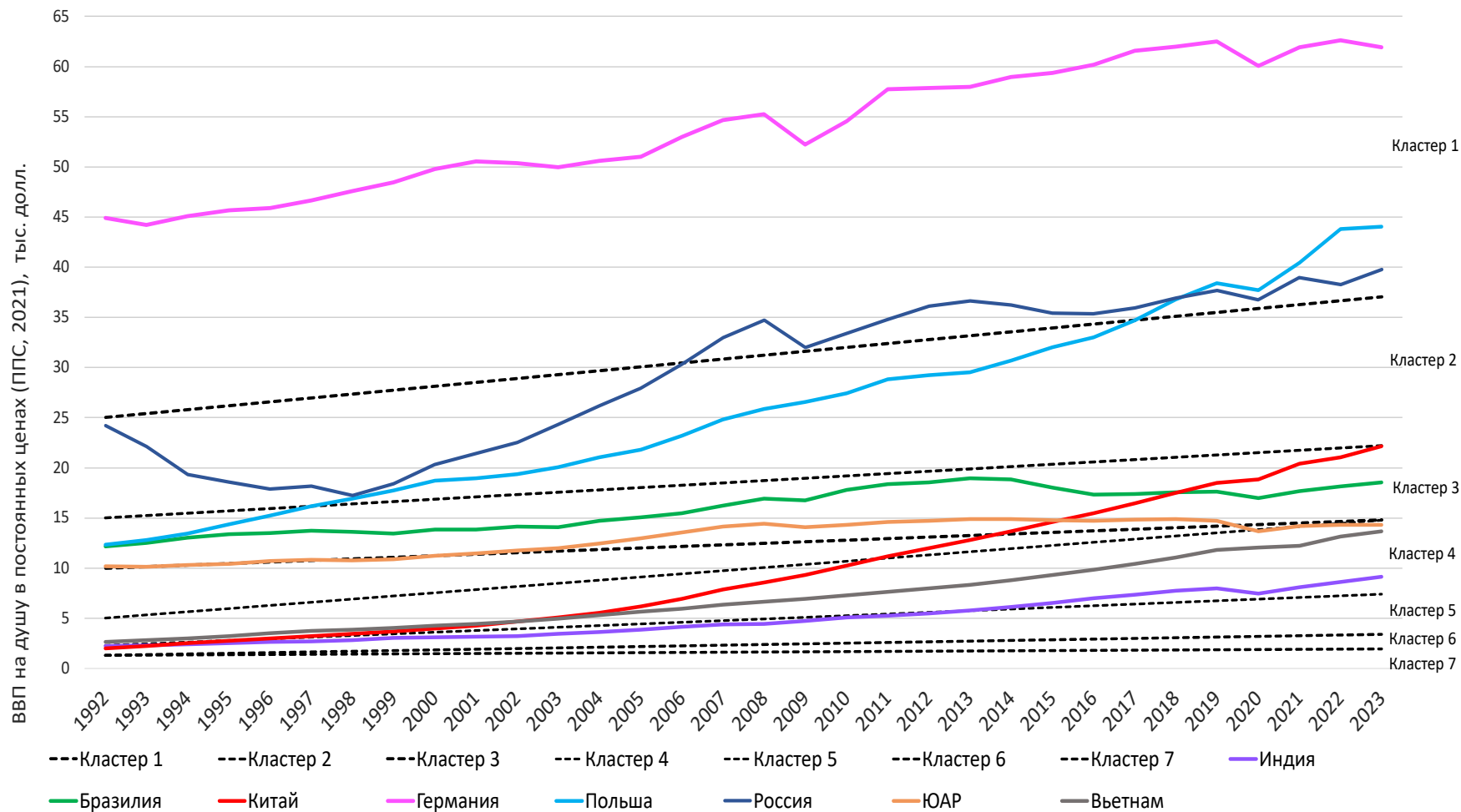
Difference: GDP PPP by 2017 and 20221

Clusters	Avg GDP PPP 2021, th \$						Avg GDP PPP 2017, th \$					Diff GDP 2021 minus 2017, \$ th				
	1992	2019	2020	2021	2022	2023	1992	2019	2020	2021	2022	1992	2019	2020	2021	2022
1	46.9	65.4	57.3	61	61.4	62.4	41.2	57.2	53.3	56.3	57.3	5.7	8.3	4.0	4.7	4.1
2	22.3	32.1	26.6	28	29.2	29	18.9	28.4	27.3	28.2	28.9	3.4	3.7	-0.7	-0.3	0.3
1-2	24.6	33.3	30.8	33.1	32.4	33.7	22.3	28.8	26.1	28.1	28.4	2.3	4.5	4.7	5	4
3	13.9	21.0	17	17.6	18.1	17.9	11.9	17.1	16.4	16.7	16.5	1.9	3.9	0.7	0.9	1.6
4	8.7	13.2	10.7	10.9	11.1	11.2	7.3	11.3	10.5	10.8	10.8	1.4	1.9	0.2	0.1	0.3
5	4.0	6.2	5.1	5.1	5.4	5.3	3.5	5.2	4.7	4.9	4.8	0.5	0.9	0.5	0.2	0.6
4-5	4.7	7	5.6	5.7	5.7	5.9	3.8	6.1	5.8	5.9	6	0.9	1	-0.3	-0.1	-0.2
6	2.1	2.9	2.6	2.7	2.8	2.8	1.9	2.5	2.3	2.5	2.4	0.2	0.4	0.3	0.2	0.5
7	1.2	1.6	1.4	1.4	1.5	1.5	1	1.4	1.2	1.3	1.3	0.2	0.2	0.2	0.2	0.2



Dynamic of China's GDP (PPP 2021) per capita and other countries, th. \$, 1992 – 2023

10



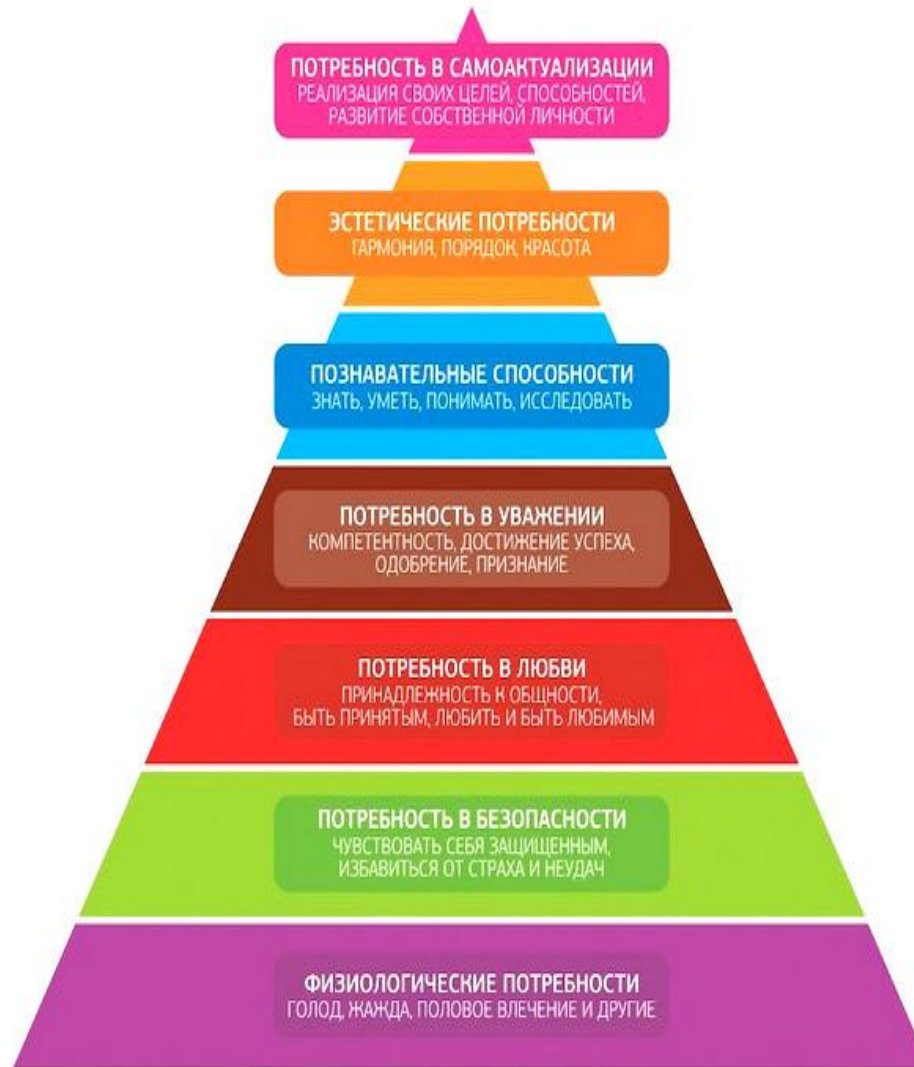
Source: World Bank



Short outcome

11

- Theoretical background of SDG needs the big overhaul. So far progress is very limited.
- Interaction of theory of objects and theory of policy impact on objects. Interaction between different policies.
- Money costs and time costs.
- Speed of changes for peoples' codes, behavior. Separately for elites.
- Global problems for countries on different stages of development.
- Critical review includes checking up of stylized facts, actual speed of changes, actual speed of implementation.
- **No way and no hope for easy, fast and cheap quality solutions for global problems with consideration of national priorities.**



Inequality with growth

Simon Kuznets and reducing inequality over long term

A classic statement of the relationship between economic growth and inequality in development is contained in S. Kuznets's work "Economic Growth and Income Inequality", which examines changes in income distribution over the long term (Kuznets, 1955).

Shares of quintiles in incomes of the population in India, Sri Lanka, USA and Great Britain, 1950 * and 2016 * years. (%)

	1950**			2016***		
	Sum of 1, 2, 3 quintiles	4 th quintile	5 th quintile	Sum of 1, 2, 3 quintiles	4 th quintile	5 th quintile
India	28	17	55	35,5	20,6	44,0
Sri Lanka	30	20	50	32,4	20,5	47,0
USA	34	22	44	30,8	22,7	46,4
United Kingdom	36	19	45	36,5	23,0	40,6

* Or last available year.

** However, we assume that in the early 1950s, the nature of the collection and processing of data could differ somewhat from modern ones.

*** Due to rounding, the amount of quintile shares may be slightly lower or higher than 100%.

Redistribution, Inequality, and Growth

J. D. Ostry, A. Berg, Ch. G.
Tsangarides, IMF, April 2014

First, *more unequal societies tend to redistribute more*. It is thus important in understanding the growth-inequality relationship to distinguish between market and net inequality.

Second, *lower net inequality is robustly correlated with faster and more durable growth, for a given level of redistribution*. These results are highly supportive of our earlier work.

And third, *redistribution appears generally benign in terms of its impact on growth; only in extreme cases is there some evidence that it may have direct negative effects on growth*. Thus the combined direct and indirect effects of redistribution—including the growth effects of the resulting lower inequality—are on average pro-growth.

While we should be cognizant of the inherent limitations of the data set and of cross-country regression analysis more generally, we should be careful not to assume that there is a big trade-off between redistribution and growth. The best available macroeconomic data do not support that conclusion.

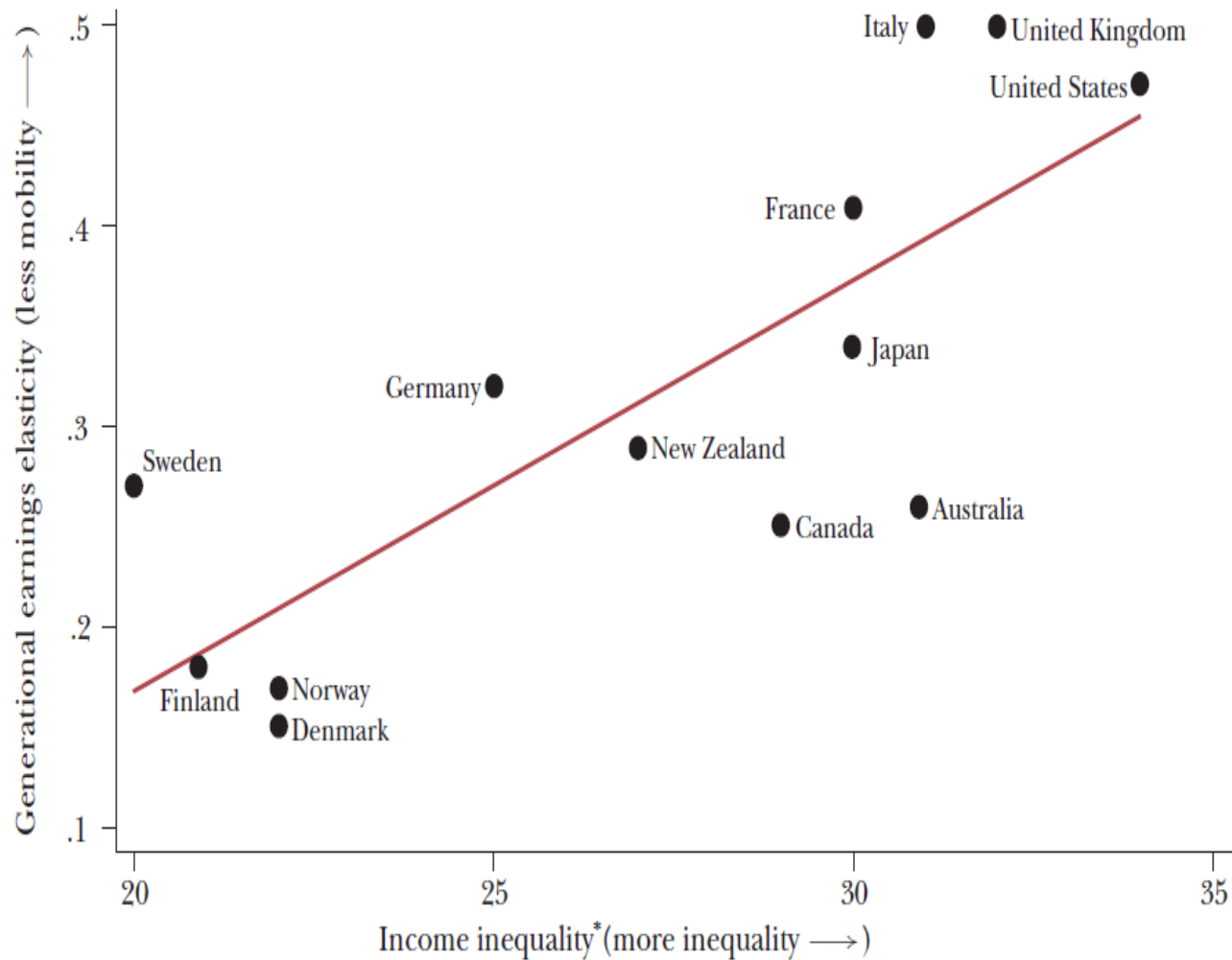
Inequality: Income and Wealth

- With my colleagues by recent studies we measure by 10th decil (not GINI)...
- We are not focusing on Poor or redistribution... not on SDG #10 of UN.
- We take income – not consumption, because it is not about uprisings of Poor!
- We see serious Relative Inequality problem!
- Setting the Institutions define the rigidity of social structure!?

Key questions:

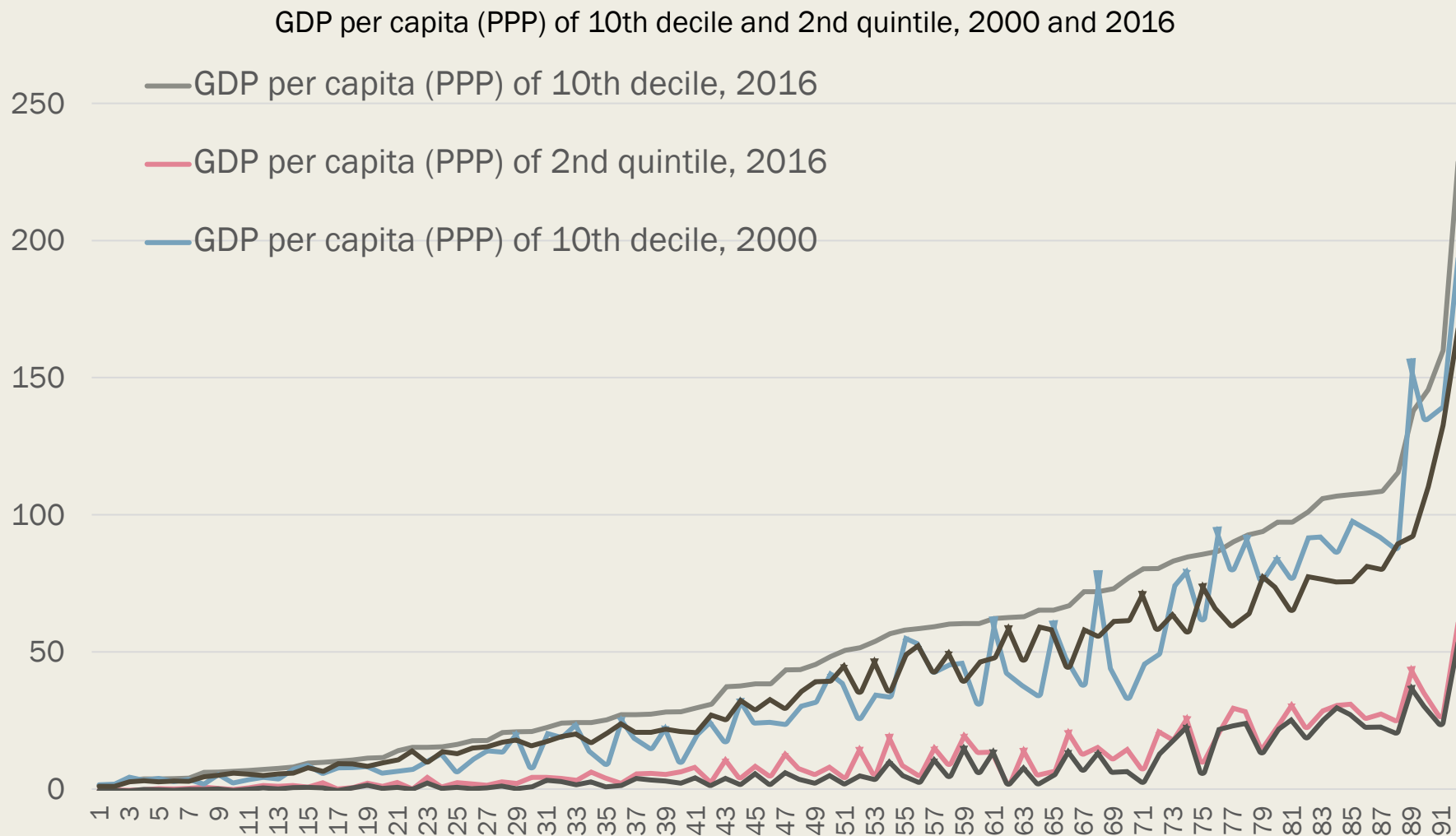
- 1) Why inequality by income was growing in 21 C in spite of a social state factor?
- 2) Redistribution from Rich to Poor via State – is it enough for pleasure of safety?
- 3) Why Low Middle is dissatisfied (or happy)?
- 4) Why “Middle Middle” is getting thinner?
- 5) What is the role of information in the transparency of inequality?

The Great Gatsby Curve: More Inequality is Associated with Less Mobility across the Generations

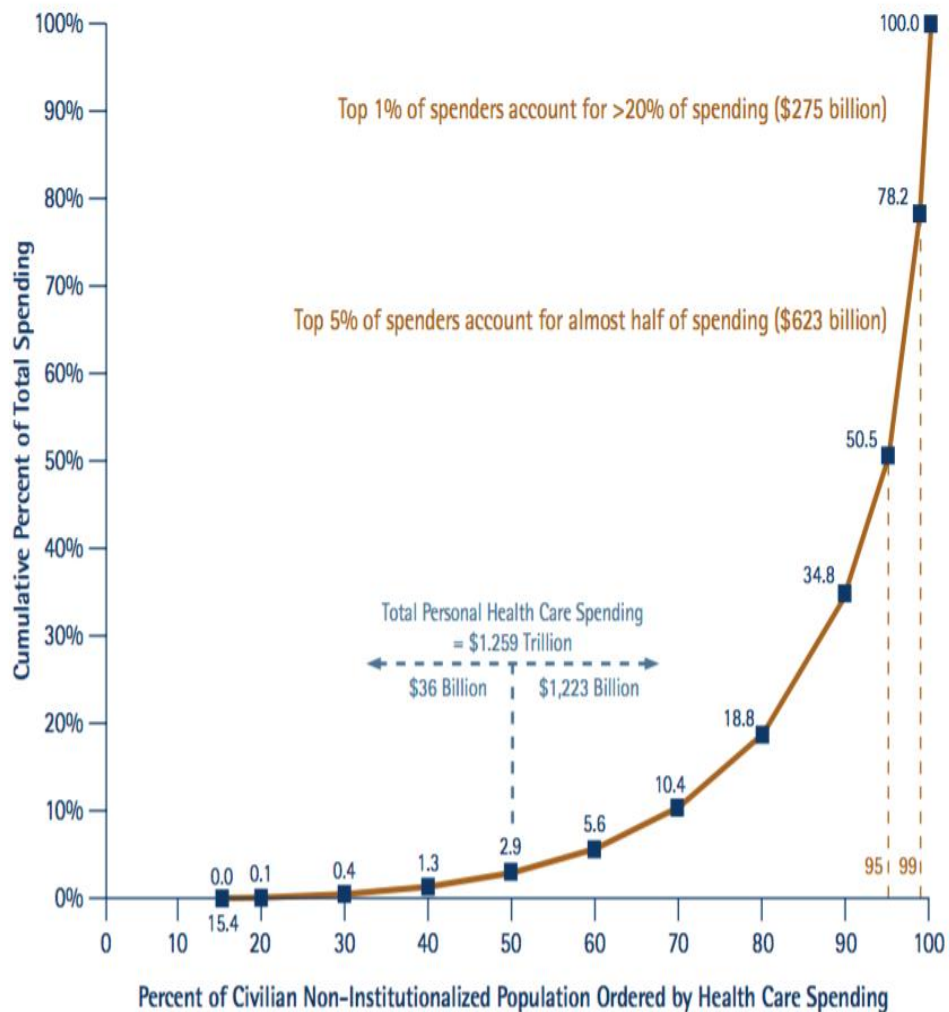


*measured as Gini index

GDP per capita of income groups: 10th decil and 2 quintal in 91 countries, 2000 and 2016



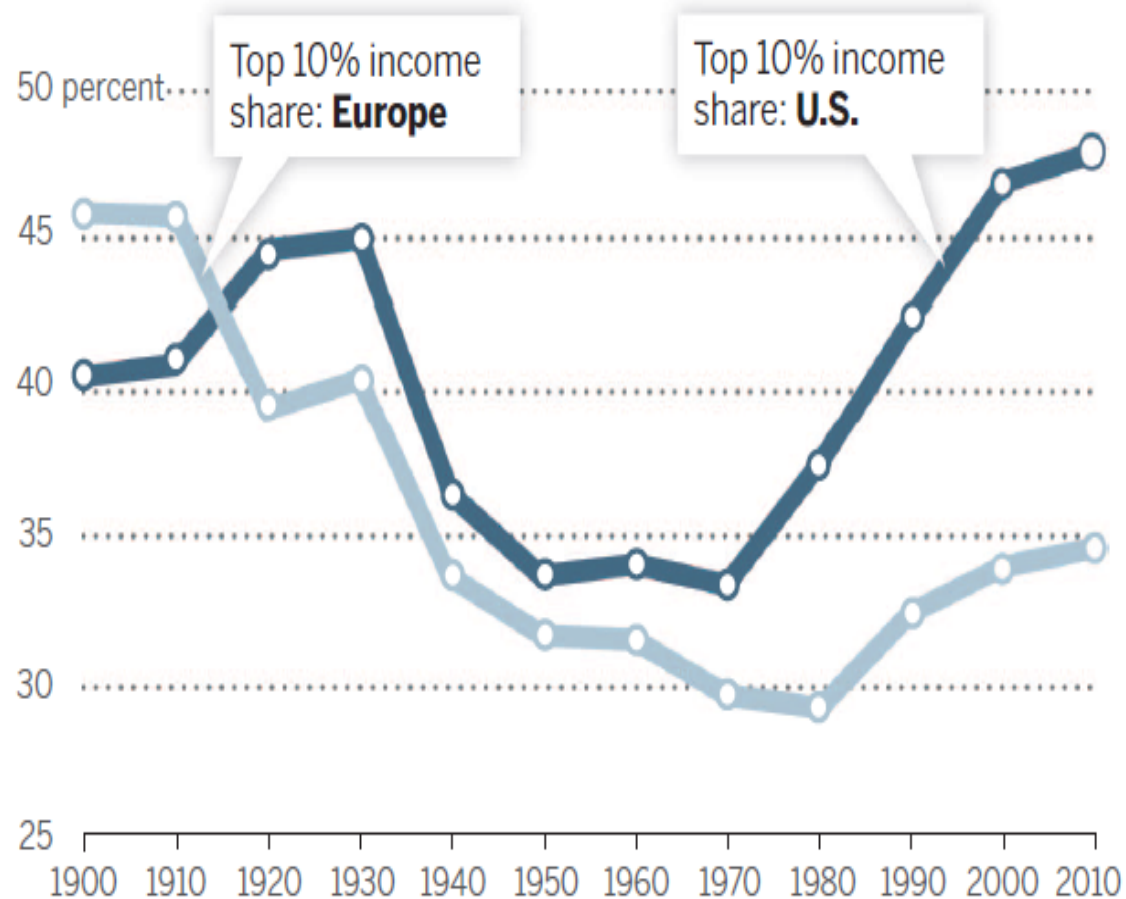
Cumulative distribution of personal healthcare spending in the U.S. in 2009



Source: Schoenman, Julie A. "The concentration of health care spending." NIHCM Foundation Data Brief, National Institute of Health Care Management, Washington, DC (2012). (Formatted by www.OurWorldInData.org)

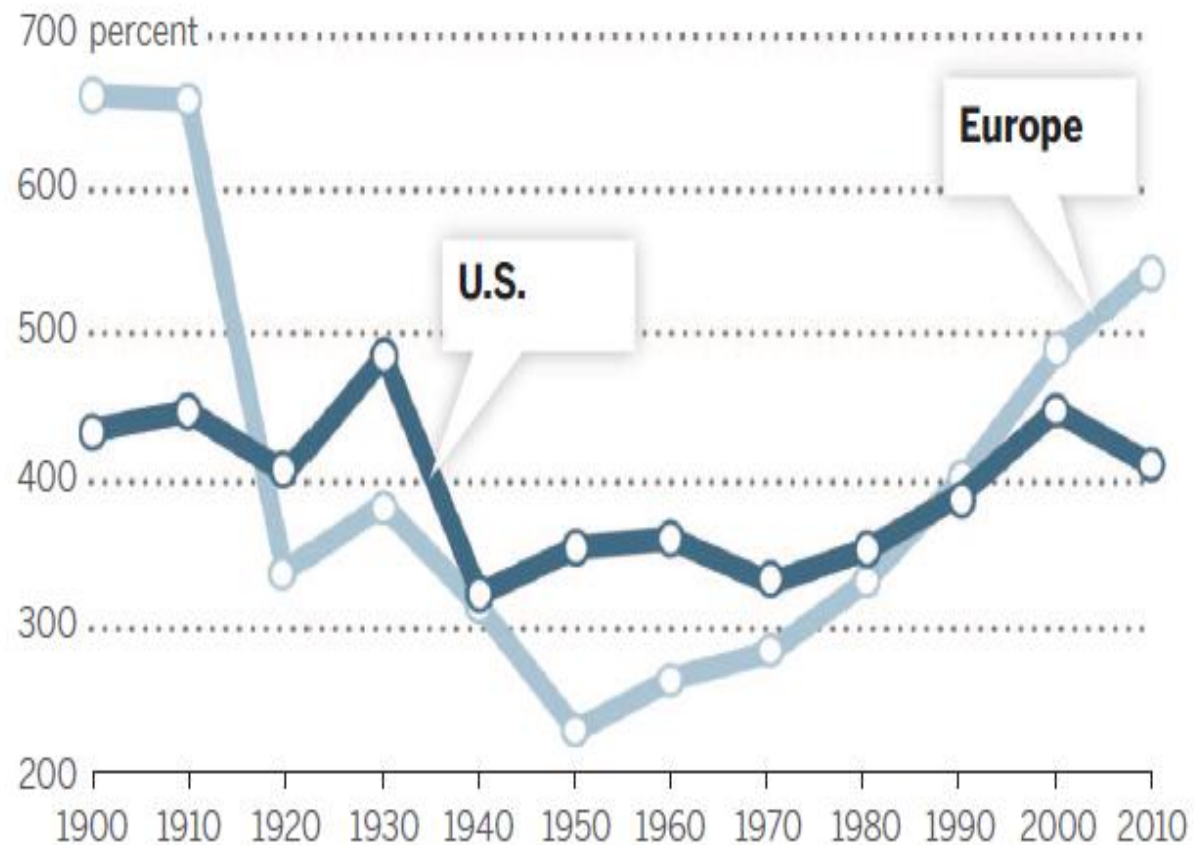
Income inequality in Europe and the United States, 1900–2010

Share of top income decile in total pretax income

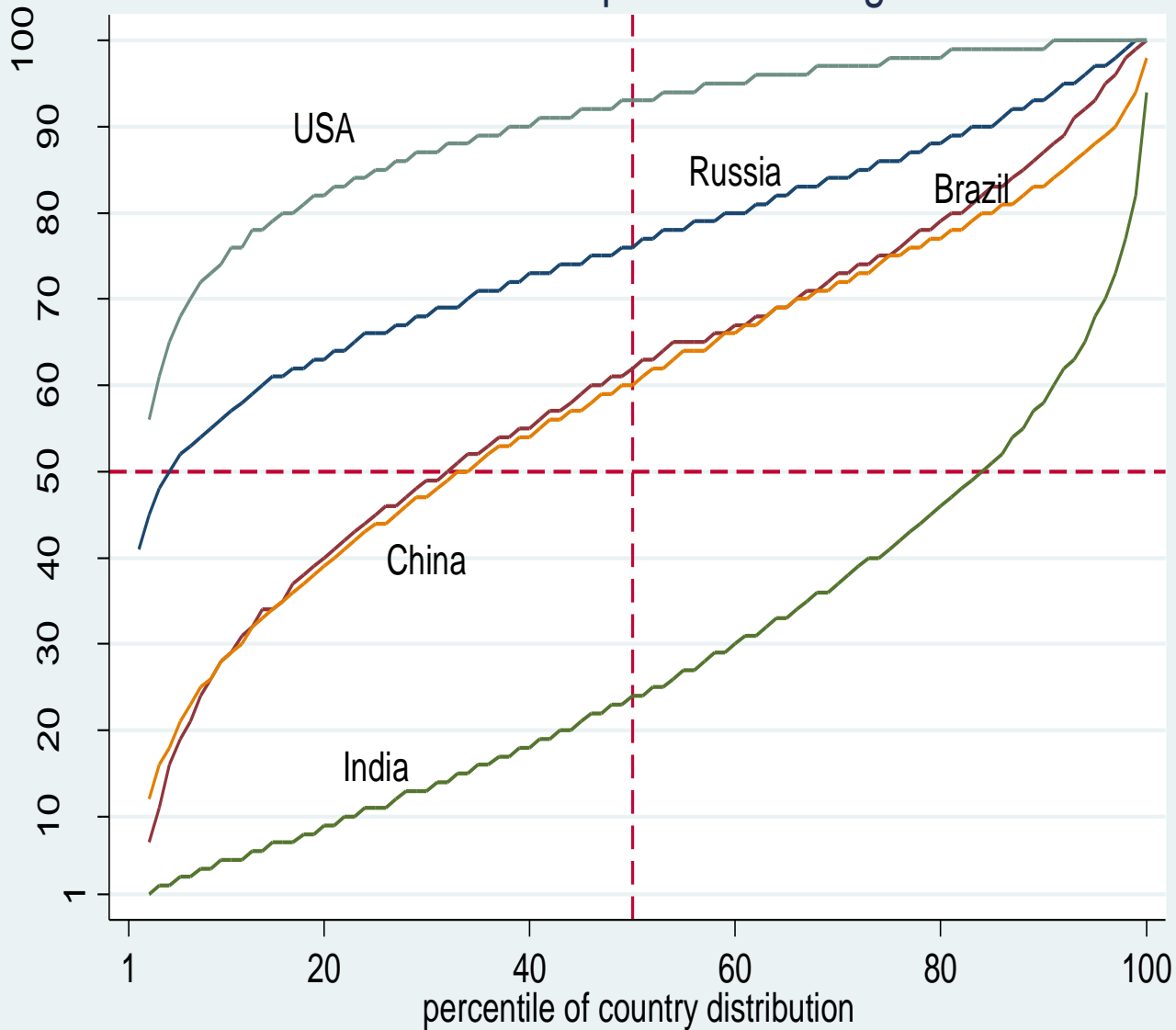


Wealth-to-income ratios in Europe and the United States, 1900–2010

Market value of net private wealth (% national income)

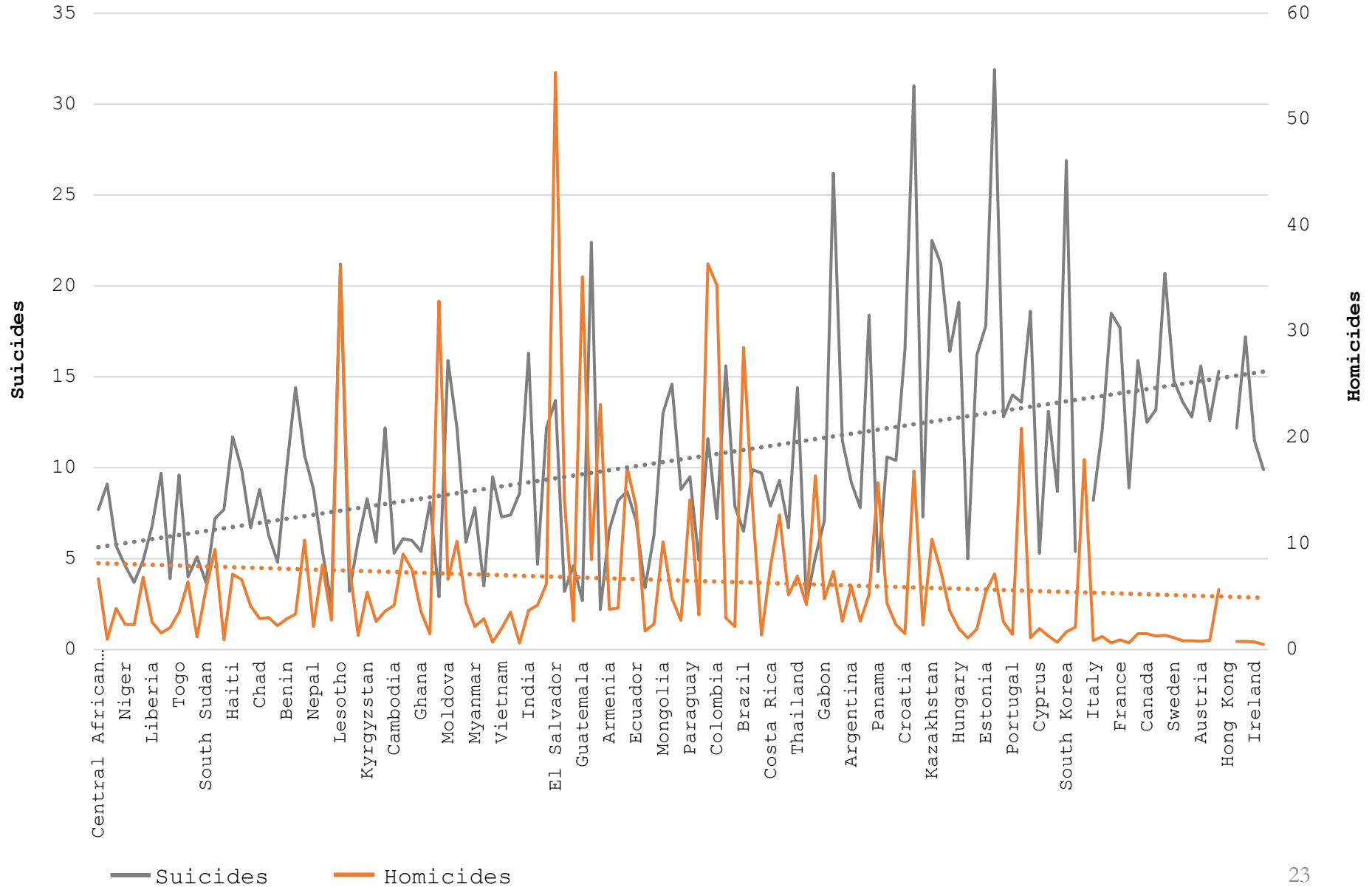


Position of national income percentiles in global distribution



BM
=Year
2013-
14

Уровень самоубийств и убийств на 100 тыс. жителей страны, 136 стран, 2016 год



Средние показатели по 7 кластерам, 2016 год

Клас тер	Границы кластера, тыс.долл. на душу	Убийств на 100 000 чел.	Суици дов на 100 000 чел.	ВВП (ППС) на душу, тыс. долларов	Неравен ство, доля 10 го дециля	Безрабо тица,%	Индекс счастья	Алко/ нарко расст- ва,%	Депрес сия, %	Тревож ные расст- ва,%
1	>35,1	1,25	14	53,7	24,8	6,1	7,04	3	4,24	5,6
2	21,1-35	5,2	14,84	30,8	27,4	8,2	6	2,83	3,8	4,2
3	14-21	5,8	11,9	19,5	-	7,5	5,7	2,64	3,7	3,9
4	7-13,9	13,4	9	12,4	29,3	10,8	5,3	2,6	3,3	3,6
5	3,2-6,9	6	7,9	5,5	31,04	5	4,9	2,1	3,7	3,4
6	1,8-3,1	7,9	7,2	3,0	32,3	7,3	4,3	1,9	3,93	3,3
7	<1,8	6,2	7,4	1,5	33,24	6,4	4	1,9	4,25	3,4
Ислам ский	-	3,2	4,2	29,1	28,1*	7,97	5,25	1,64	4,1	4,8

*Данные имеются только для 4 стран из 21.

Мировой рост и ЦУР



- «Мировая экономика в период тяжелых потрясений» под ред. Л.Григорьева, А.Курдина, И.Макарова, М., «Инфра М», 2022 .
- «Мировая экономика в начале 21 века» под научным руководством Л.М.Григорьева, М., «Директ-Медиа», 2013.
- Григорьев Л.М. и Морозкина А.К. «Успешная неустойчивая индустриализация мира: 1880 – 1913» - Нестор-История, 2021, 176 стр.
- Цели устойчивого развития ООН и Россия. Под ред. С.Н.Бобылева и Л.М.Григорьева, Москва, сайт АЦ, 2016.
- Leonid Grigoryev, Alexander Kurdin “Mechanisms of Global Governance: economic analysis” // “Voprosy Ekonomiki”, 7, 2013, pp. 4-28.
- Григорьев Л, Павлюшина В, «Межстрановое неравенство и проблема стадий развития»», «Вопросы экономики», №7, 2018, стр.5-29.
- Bobylev Sergei, Grigoryev Leonid - in “In search of the contours of the post-COVID Sustainable Development Goals: The case of BRICS”, ВжЕ, #2, 2020.
- Leonid Grigoryev, Dzannetta Medzhidova “Global Energy Trilemma”, RuJec, 4, 2020
- «Идеальный шторм личного потребления» – Вопросы Экономики №10 – 2021 = Григорьев Л. Ёлкина З. Медникова П. Серова Д. Стародубцева М. Филиппова Е.
- Григорьев Л.М., Жаронкина Д.В. «Экономика Китая: тридцать лет обгоняющего развития» // Вестник международных организаций. 2024, №1.
- Григорьев Л.М. «Весна переоценки: как меняется видение мировой экономики международными организациями» - «Современная мировая экономика», №1 (№5) – 2024



- Григорьев Л.М., Майхрович М.Я. «Теории роста и реалии последних десятилетий (Вопросы социокультурных кодов — к расширению исследовательской программы)», «Вопросы экономики», 2023. №2, стр. 14-41.
- Григорьев Л.М., Майхрович М.Я., Серова Д.А., Стародубцева М.Ф., Филиппова Е.С., «Параметры пандемии 2020-2021 по социокультурным группам стран – прикладной анализ», «Вестник международных организаций». 2022. Т.17. №4. стр. 7-37.
- Grigoryev L., Popovets L. “Sociology of individual tragedies. Homicides and suicides: Cross-country cluster analysis”, Russian Journal of Economics 5 (2019) 251–276, Rujec: 21 October 2019.
- Л. М. Григорьев, В. А. Павлюшина: «Социальное неравенство как проблема экономической стратегии России», «Мир новой экономики», №3, 2017.
- «Социальное неравенство в мире: 1992-2016 гг.» "Вопросы экономики" , №10-2018
- Grigoryev L. and Pavlyushina V. “Global Recession and Income Inequality: Factors of Disruption for Elites in the Twenty-first Century” in “Global Governance in Transformation – Challenges for International Cooperation” Eds: L Grigoryev & A. Pabst, Springer, 2020.
- Леонид Григорьев «Петр Первый – Царь догоняющего развития», Вестник МГУ, серия 6 – экономика, №2 – 2023.
- Григорьев Л. «Матрица русской культуры: миф? двигатель модернизации? барьер?», СВОП, 2012, стр. 44-48.
- Leonid Grigoryev and Alexandra Morozkina “Colonialism Matters: Benefits of Metropolises with a Focus on India and Great Britain” – “Strategic Analysis”, Delhi, 2022, vol. 46, #2/
- Григорьев Л.М. «Таланты и их профессора: чему и как учить?» - «Вопросы экономики. 2024. № 8. С. 111—126.
- Григорьев Леонид «Реформы надо было начинать как минимум на год, а лучше на два раньше» - интервью 11 ноября 2019 <http://award.gaidarfund.ru>

Элиты и прочее

- Leonid Grigoriev - "ULTERIOR PROPERTY RIGHTS AND PRIVATIZATION" - STOCKHOLM institute of Soviet and East European economics", WP No. 32 1991
- Григорьев Л. «Трансформация без иностранного капитала: 10 лет спустя». – «Вопросы экономики», № 6, 2001, стр.15-35.
- Григорьев Л. «Элиты и средний класс.» В «Spero» #13, 2010.
- Григорьев Л. «Элиты – Выбор для Модернизации» в "Russia: the Challenges of Transformation", Piotr Dutkiewicz and Dmitri Trenin (Editors), NY UP, 2011.
- Григорьев Л. «Собственность и контроль – 20 лет спустя.» В «ЭКО» - №7 июль 2011.
- Григорьев Л. «Спрос элит на право: эффект «Трамвая». «Вопросы экономики», №6 июнь, 2012, стр. 1-15.
- Григорьев Л, Салмина А. «Структура» социального неравенства современного мира: проблемы измерения. «Социологический журнал», №3, 2013, стр. 5-16.
- Григорьев Л. «Трансформация России – для людей или для элит?» В «Полития», №1, 2015 г., стр. 114-139.
- Григорьев Л. Социальное неравенство в мире – интерпретация неочевидных тенденций. Журнал НЭА, №3 (31), 2016, с.160-170.
- Л. М. Григорьев, В. А. Павлюшина: «Социальное неравенство как проблема экономической стратегии России», «Мир новой экономики», №3, 2017.
- «Социальное неравенство в мире: 1992-2016 гг.» "Вопросы экономики" - №10-2018
- Grigoryev L. and Pavlyushina V. "Global Recession and Income Inequality: Factors of Disruption for Elites in the Twenty-first Century" in "Global Governance in Transformation – Challenges for International Cooperation" Eds: L Grigoryev & A. Pabst, Springer, 2020.
- Grigoryev L., Popovets L. "Sociology of individual tragedies. Homicides and suicides: Cross-country cluster analysis", Russian Journal of Economics 5 (2019) 251–276, Rujec, October 2019.