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Brookings Top 10

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The following is an excerpt from a report titled "Top 10 Global Economic Challenges Facing America's 44th President" presented by Brookings Global Economy and Development. A special thank you to Boomtown Institute (www.boomtowninstitute.com) for bringing this article to my attention. You can read the full report at the Brookings website by [clicking here](#). Warning: this discussion is presented with excessive eloquence that would make Alan Greenspan proud.

The top 10 global economic challenges awaiting the next President defy easy solutions but are vital to the prosperity and stability of America and the world:

1. Restoring financial stability

With our financial troubles at the center of the current global vortex, the U.S. has important obligations to strengthen the global financial system, including by strengthening our own financial regulation and diminishing our reliance on foreign credit. The next U.S. president should work with the international community to develop a common agenda for managing capital flows, including increasing flexibility in exchange rates to facilitate the adjustment of persistent imbalances, developing global codes for improved transparency of new players such as sovereign wealth funds, and updating the mission and governance of the international financial institutions to address today's challenges and engage today's players.

2. Setting the right green agenda

It is past time to muster the political will to act on climate change at the national level while also working to forge international agreement so that markets and regulatory policy will provide a consistent set of incentives to wean the economy from carbon foundations. It will require a delicate balance of persuasion and pressure to induce the fastest growing emitters of greenhouse gases to take action in the face of concerns about growth. It will require much assistance and financing to help the most vulnerable nations adapt. And it will inevitably risk trade frictions as competitiveness concerns come to the fore if America takes on obligations ahead of its trade partners.

3. Exercising smart power

Investing in the education, health, livelihoods, and the security of the world's

poorest not only makes Americans feel good about themselves but also makes the world feel good about America. It is critical to capitalize on the upsurge of support for global development among the U.S. public evidenced in increased advocacy, service, and individual giving to make sustained investments in lifting up the lives of the poor. It is critical to increase not only resources but also the impact of each dollar spent.

4. Reimagining global trade

Americans feel most secure about global engagement when they are well equipped to compete and have insurance against economic risks. This requires vigorously enforcing the trade rules and investing in economic competitiveness—lifelong learning, innovation, infrastructure—to widen the circle of winners, while at the same time developing effective and portable insurance systems for unemployment, health, pension, and earnings to provide economic security in the face of job dislocation.

5. Navigating China's rise

America will need to engage intensively bilaterally, regionally and multilaterally to shape China's continued integration with the international system of rules. On issues such as climate change, enforcement of trade rules and exchange rate adjustment, where the stakes are simply too high to ignore, America should look for cooperative mechanisms to advance its goals where possible but continue to press bilaterally and better deploy regional and international mechanisms where necessary.

6. Deciphering "Russia, Inc."

Difficult as it may be to accomplish, America nonetheless has significant interests in alternately coaxing and goading a resurgent, resource nationalist Russia toward international norms and

cooperation on energy, trade, financial integration and security more broadly.

7. Engaging an emerging India

America has enormous interests in India's successful integration into the global economy as the world's most populous democracy engages in the task of lifting hundreds of millions out of poverty. Yet India poses challenges in areas ranging from integrating global agricultural markets to combating climate change, and the country's success in global high value services markets has complicated America's internal debate on trade. America must look for areas of cooperation where possible and deepen bilateral engagement broadly in order to make progress on its agenda.

8. Revitalizing ties to Latin America

The United States has deep and abiding interests in vibrant economic relations with the nations of the Western hemisphere and a growing population with roots in the region—which are not matched by the quality of its engagement. America must become a stronger partner to its neighbors and engage on issues of mutual concern, including on energy, environmental protection, economic competitiveness and social policies.

9. Supporting Africa's growth turnaround

Many African nations have experienced dramatic, sustained growth during the past decade due in part to improved policy frameworks and increasing global demand for their products. America can become a stronger and steadier partner to Africa as it navigates economic challenges by supporting global standards for natural resource management, opening markets to African products, supporting vibrant private enterprises, supporting African efforts to enhance regional security and build resilience to climate change, and both increasing and improving the quality of development assistance.

10. Pursuing a positive agenda for the Middle East

Though America's leaders view the Middle East through the prism of Islamic radicalism, many of the region's leaders see their own core challenge as providing educational and economic opportunities for their burgeoning youth populations. America can build partnerships in the region based on trust and mutual respect if it aligns its agenda on economic and political reform with the aspirations of the majority of the region's people: the young who are striving for opportunity and global integration.

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From now on, ending a sentence with a preposition is something up with which I will not put.

—Sir Winston Churchill



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Happy Holidays!

And best wishes for a bright
and joyful New Year
from all of us at Thredgold
Economic Associates!

Jeff, Shawn,
Kendall, and Debi

