

Global Agenda Council on Fiscal Sustainability 2012-2014



Understanding/Context

In the aftermath of fiscal shocks threatening the economic stability of the Eurozone, there is an increasing convergence of opinion about the necessity to establish a fiscal union in addition to the European Union's monetary union. However, what such a fiscal union would actually mean lacks clarity and common understanding among European and global experts. Defining the key characteristics of the European institutional design and assessing the political feasibility of a fiscal union, together with other proposals, are among the main priorities for the Global Agenda Council on Fiscal Sustainability. The European fiscal crisis has proven once again the interconnected nature of global economies and the contagion of consequences that policies in one country or region may have on the rest of the world. It is not only Europe that is affected. The United States, Japan and other countries are increasingly concerned about the long-term stability of public finance in their countries.

Shaping the Agenda

The Council aims to develop solutions to address the challenge of fiscal sustainability in advanced economies, reviewing European and other global policies through the lens of political economy, as well as structural mechanisms, adjustment processes and their implications for the rest of the world. Council Members recognize that in addition to continuing problems in Europe, the debate on the US fiscal challenges and fiscal concerns in emerging markets require structural approaches and long-term commitment from policy-makers. To address the challenges of public finance, the Council is focusing its efforts on preparing a comprehensive e-book covering the global landscape of fiscal challenges in different parts of the world: Europe, the United States, China and Japan.

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The Council held a series of thematic discussions on these issues over the course of the year: redesign of fiscal institutional architecture in Europe, long-term implications of fiscal imbalances in the United States, and growing concerns over the health of public finance in China. The debates will continue throughout the coming year, with a number of virtual discussions bringing together regional perspectives on fiscal sustainability in Europe, the United States, China and Japan.

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