

# Sleepwalking Towards a Global Polycrisis? Spillover Problems in Complex Systems

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## What is the nature of the policy problem we face?

*“All happy families are the same, but each unhappy family is unhappy in its own way” : Tolstoy*

- To achieve sustainable, inclusive growth in a free society
- Requires healthy subsystems; economic, environmental, political
- Many of these complex systems are now under severe stress
- And problems in any one system could spill over into others
- Are we sleepwalking towards a polycrisis?

## Why we are on a bad path

*“If I were you, I wouldn’t start from here”: Old Irish joke*

- Economic/financial systems under stress, in part due to past policies
- Environmental systems under stress, largely due to population growth
- Democratic systems under stress from inequality, marginalization
- Democracies and autocracies now decoupling

## And why it could get even worse

*“There are things we know we know and there are things we know we don’t know. But there are things we don’t know we don’t know”*: Donald Rumsfeld

- Reasons to expect slower economic growth and faster inflation
- Environmental stress and “tipping points”
- Pandemics are likely to recur
- Stresses in democracies aggravated by effects of spillovers
- Geopolitical decoupling could develop its own momentum

## What complicates the search for policy solutions?

*“It ain’t the things you don’t know what gets you, It’s the things you know for sure which aint so” : Mark Twain*

- What *should* we do? Problems of ignorance, tradeoffs and spillovers
- What *could* we do? The problem of misallocated power
- What *would* we do? Problems of shortsightedness and leadership
- Fallback becomes “more of the same” unsustainable policies

## Searching for a way forward, regardless

*“Politics is not the art of the possible. It is choosing between the unpalatable and the disastrous”:*  
J K Galbraith

- Be clear about *where* we want to go.
- Make *specific* policy recommendations to get “there” from “here”.
- Make change *happen*. Pledges are not enough

## Where do we want to go?

*“If you don’t know where you’re going, you’re going to wind up somewhere else”*: Tom Peters

- Salient features of a sustainable economic and financial system.
- Salient features of a sustainable environmental system.
- Salient features of a sustainable democratic system.
- Salient features of a sustainable system of global governance.

## How to get “there” from here?

*“ When you come to a crossroad, take it” : Yogi Berra*

- Need a paradigm change embracing complexity and spillovers.
- Economic progress requires dealing with debt and fiscal problems
- Environmental reforms require both regulation and market incentives.
- Restoring trust in democracy needs more inclusion/less lobbying.
- International cooperation based on a narrower agenda



# How to make change happen?

*“Of course we know what to do. What we don’t know is how to get reelected after we do it”  
J P Juncker*

- Convincing the general public there are no easy answers.
- Convincing the powerful that change is in their own interest.
- Convincing politicians in democracies to lead again.
- Convincing autocrats that cooperation beats the alternatives
- Using academic discourse as an instrument for needed change?

GOOD LUCK: WE ALL MIGHT NEED IT