

Foreword

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The Aspen Economic Strategy Group releases its fifth annual policy volume against a backdrop of historic economic and strategic uncertainty.

Supply shocks resulting from a senseless Russian war in Ukraine are exacerbating already soaring energy and food prices. Increasing hostility between the United States and China is accelerating the transition to a world of rival economic blocs. A global energy crisis threatens political upheaval and undermines both economic security and progress toward the world's climate goals.

The upshot is a world economy thrown into an era of uncertainty, unlike any we have seen since the end of the Cold War. How can the United States navigate this new era? The challenge facing economic policymakers is to ensure American firms and workers are able to thrive in the face of these global shifts.

Can US firms continue to innovate the technologies of the future if crucial links to global talent are cut off? Will the recent push for industrial policy help or hurt American firms competing with foreign companies? To what extent can public policy alter America's demographic trends towards an aging population and lower fertility? Can workers adapt to the shifting labor markets caused by the global energy transition?

This policy book examines these questions and highlights potential policy directions that are informed by the evidence. The first section grapples with issues around government-directed science and technology funding, the role of talent in advancing innovation, and the structure of R&D investments.

The second section discusses America's demographic challenges: the causes of America's declining population growth, why it matters, and what can or cannot be done in response.

The third section discusses the challenges confronting US workers and firms. It raises questions and proposes solutions for how to deal with the impact of the green energy transition on the labor force. It also features policy lessons learned from the unprecedented federal aid provided to state and local governments during COVID-19.

This volume is not intended to represent the consensus view of the Aspen Economic Strategy Group membership. Rather, its intent is to bring to bear the best economic research in service of non-partisan policy solutions that can better position the United States for a more uncertain world..