

## Macro Roundup Article

**Headline:** [Unstable Prosperity: How Globalization Made the World Economy More Volatile](#)

**Article Link:** <https://www.nber.org/papers/w30832>

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**Summary:** The sharp, secular decline in the world real interest rate of the past thirty years suggests that the surge in global demand for financial assets outpaced the growth in their supply. This phenomenon was driven by faster growth in emerging markets, changes in the financial structure of both emerging and advanced economies, and changes in demand and supply of public debt issued by advanced economies. The net foreign liabilities of advanced economies grew massively. The net foreign assets of advanced economies, as a share of their collective GDP, fell from close to zero at the beginning of the 1990s to about -20 percent in 2020.

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**Primary Topic:** Savings Glut/Trade Deficit

**Topics:** Academic paper, Data, Database, GDP, Savings Glut/Trade Deficit, Weekly

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