

Nurturing a Recovery

THE recovery from the deepest recession in 60 years has started. But sustaining it will require delicate rebalancing acts, both within and across countries. IMF chief economist Olivier Blanchard writes in our lead article that the turnaround will not be simple. The crisis has left deep scars that will affect both supply and demand for many years to come.

Policymakers around the world will face a daunting task over the coming months maintaining supportive policies while simultaneously planning for their well-timed reversal. This is not the end of the policy challenges, however. Even when the recession is past, several longer-term structural issues will have to be addressed if the global economy is to return to solid and sustained growth.

This issue of *F&D* looks at what's next in the global crisis and beyond. We look at ways of unwinding crisis support, the shape of growth worldwide after the crisis, ways of rebuilding the financial architecture, and the future of reserve currencies. Jeffrey Frankel examines what's in and what's out in global money, while a team from the IMF's Research Department looks at what early warning systems can be expected to deliver in spotting future problems.

In our regular People in Economics profile, we speak to Nobel prize winner Daniel Kahneman, whose work led to the creation of the field of behavioral economics, and our Picture This feature gives a timeline of how the Bank of England's policy rate has fallen to its lowest level in 300 years.

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