

PARTIE 4: RÉCONCILIER CROISSANCE PAR L'INNOVATION ET MAITRISE DES INÉGALITÉS



CONCLUSION (4)

CAN WE MAKE GROWTH INCLUSIVE?

- Lessons from Trump and Brexit
- There is hope !



WHY THERE IS HOPE

- **Some main drivers of innovation-based growth**
 - Education
 - Product market competition
 - Labor market flexibility
- **Then look at how each of these affects the various measures of inequality, especially social mobility**

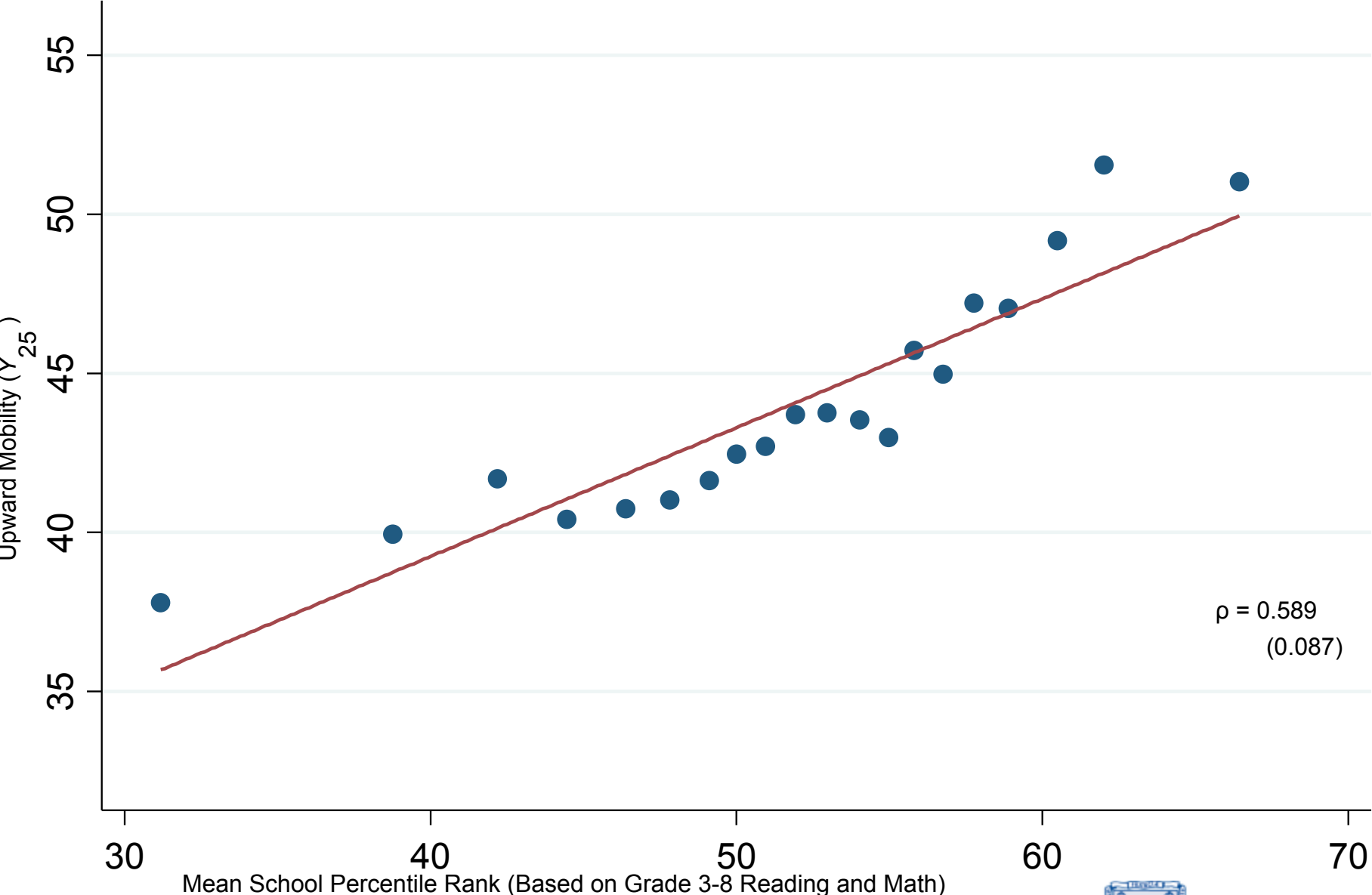


ENHANCING SOCIAL MOBILITY: SCHOOLING



**COLLÈGE
DE FRANCE**
— 1530 —

Factor #3: Upward Mobility vs. Test Scores

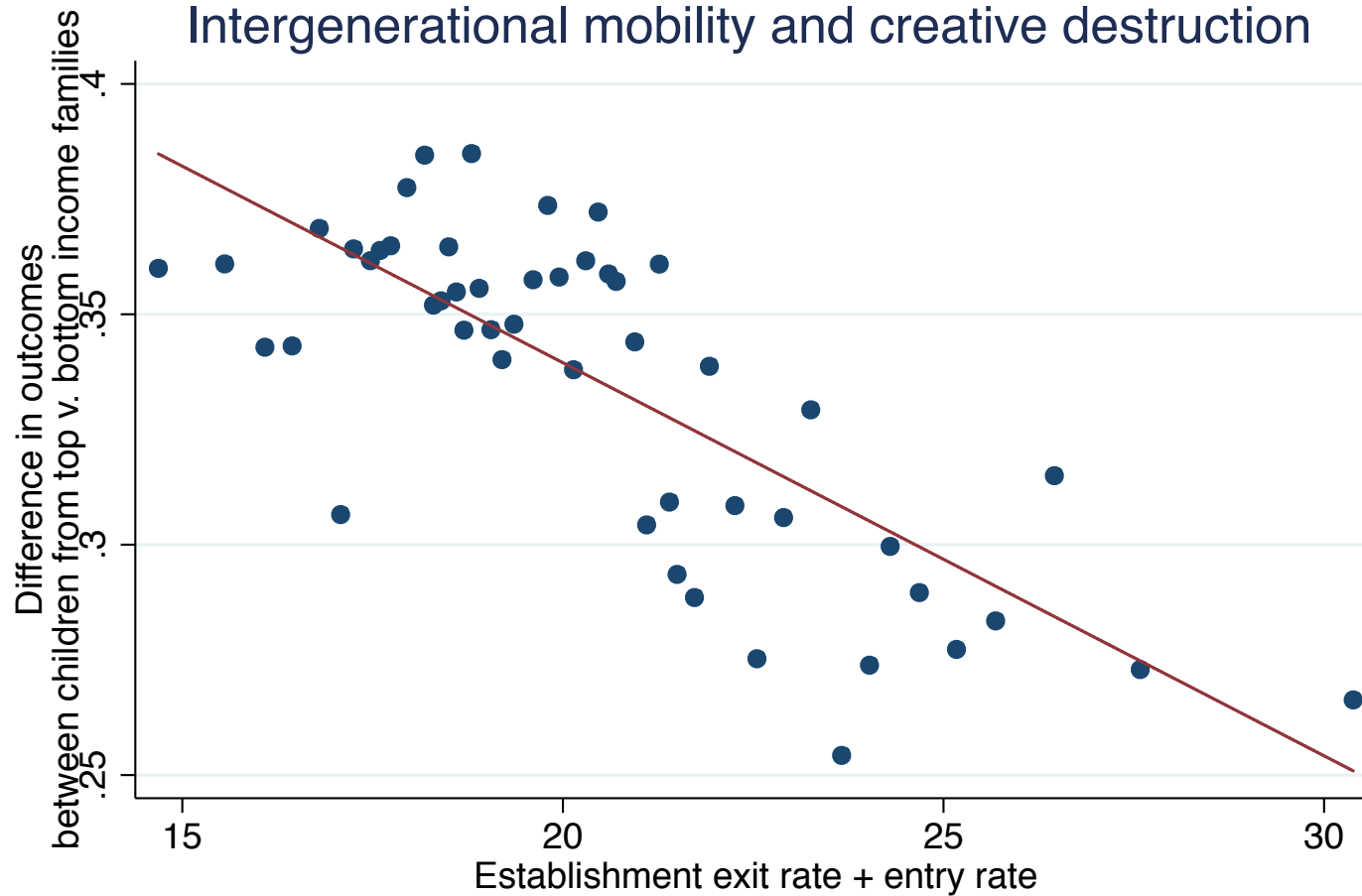


ENHANCING SOCIAL MOBILITY: COMPETITION



**COLLÈGE
DE FRANCE**
— 1530 —

Intergenerational mobility and creative destruction



The relative mobility measure comes from the Equality of Opportunity Project.
It is the slope coefficient of a within MSA regression of child income rank against parent income rank

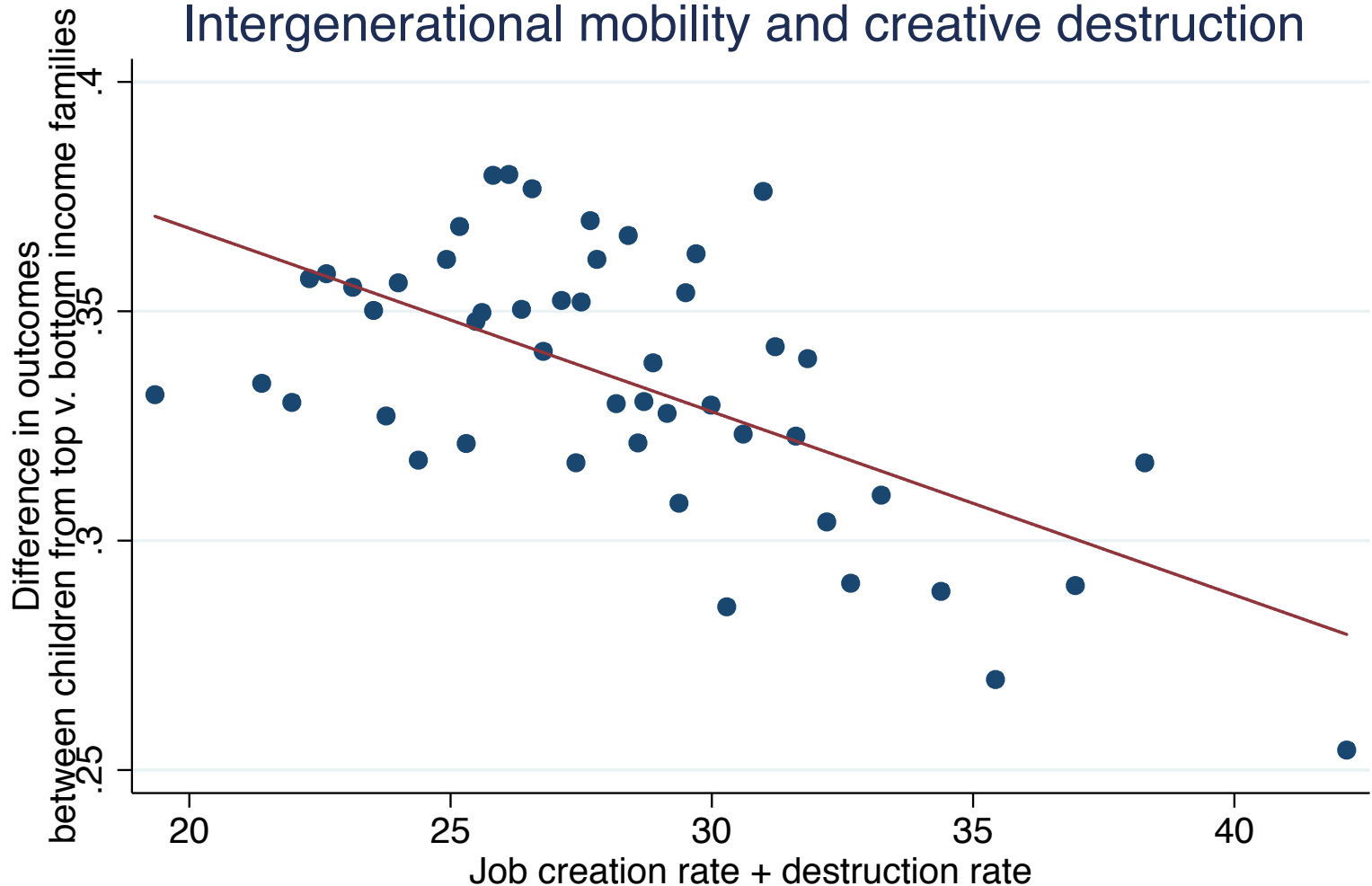


ENHANCING SOCIAL MOBILITY: FLEXIBLE LABOR MARKET



**COLLÈGE
DE FRANCE**
— 1530 —

Intergenerational mobility and creative destruction



The relative mobility measure comes from the Equality of Opportunity Project.
It is the slope coefficient of a within MSA regression of child income rank against parent income rank.



CONCLUSION (5)

WHY SHOULD WE WORRY ABOUT TOP INCOME INEQUALITY?

- Need to **avoid that the rich use their wealth** to prevent competition
- Need to avoid that the rich buy out the political system
- ... **Back to Schumpeter !**
- This requires **appropriate tax policy, competition policy and constitution design**

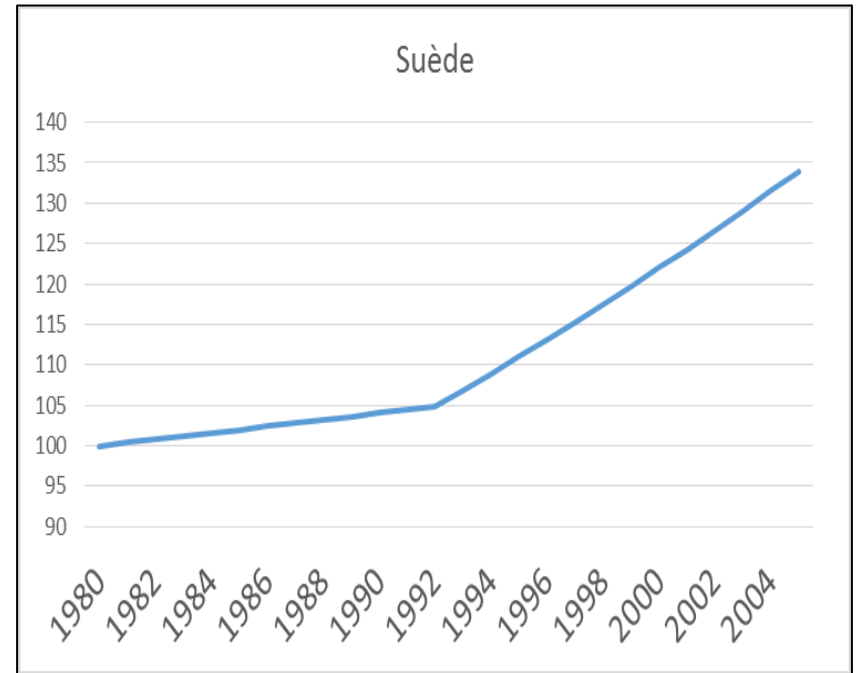
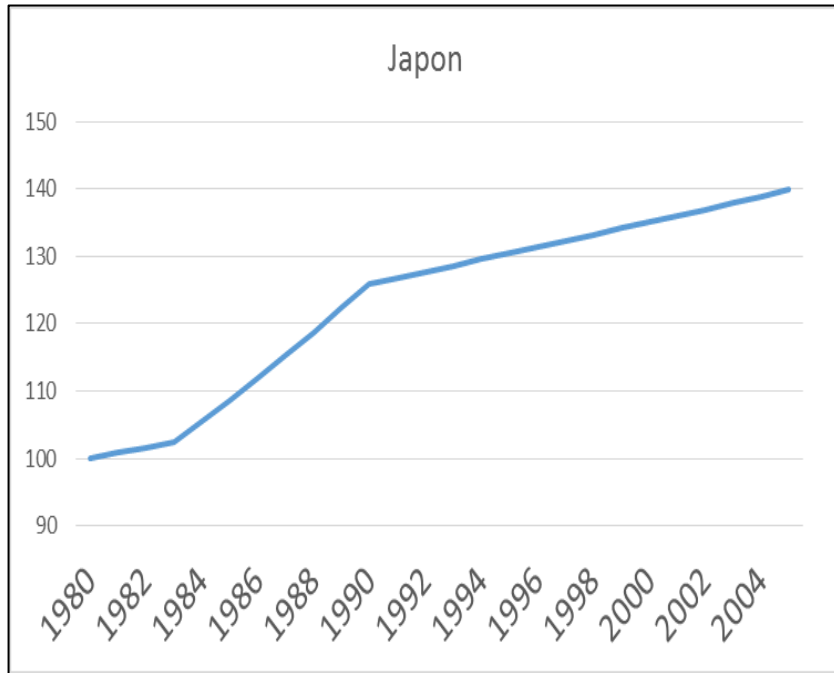


SWEDEN OVER PAST TWENTY FIVE YEARS

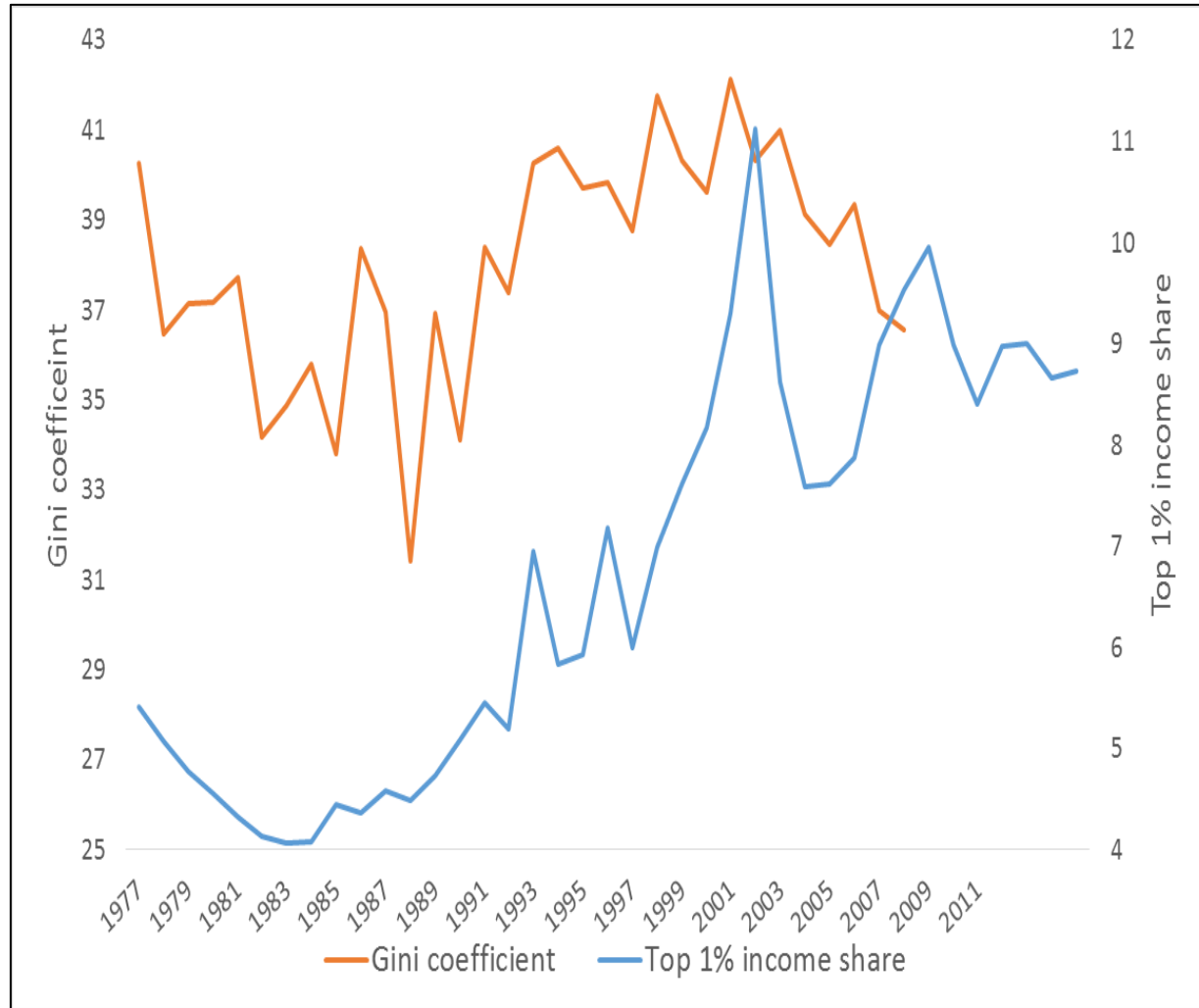
- **Innovation and productivity growth** have accelerated
- **Top income inequality** has increased
- **Social mobility** has not gone down



TENDANCE DE LA PRODUCTIVITÉ EN SUÈDE ET AU JAPON



SUÈDE



ÉTATS-UNIS

