INNOVATION, INÉGALITÉS ET MOBILITÉ SOCIALE

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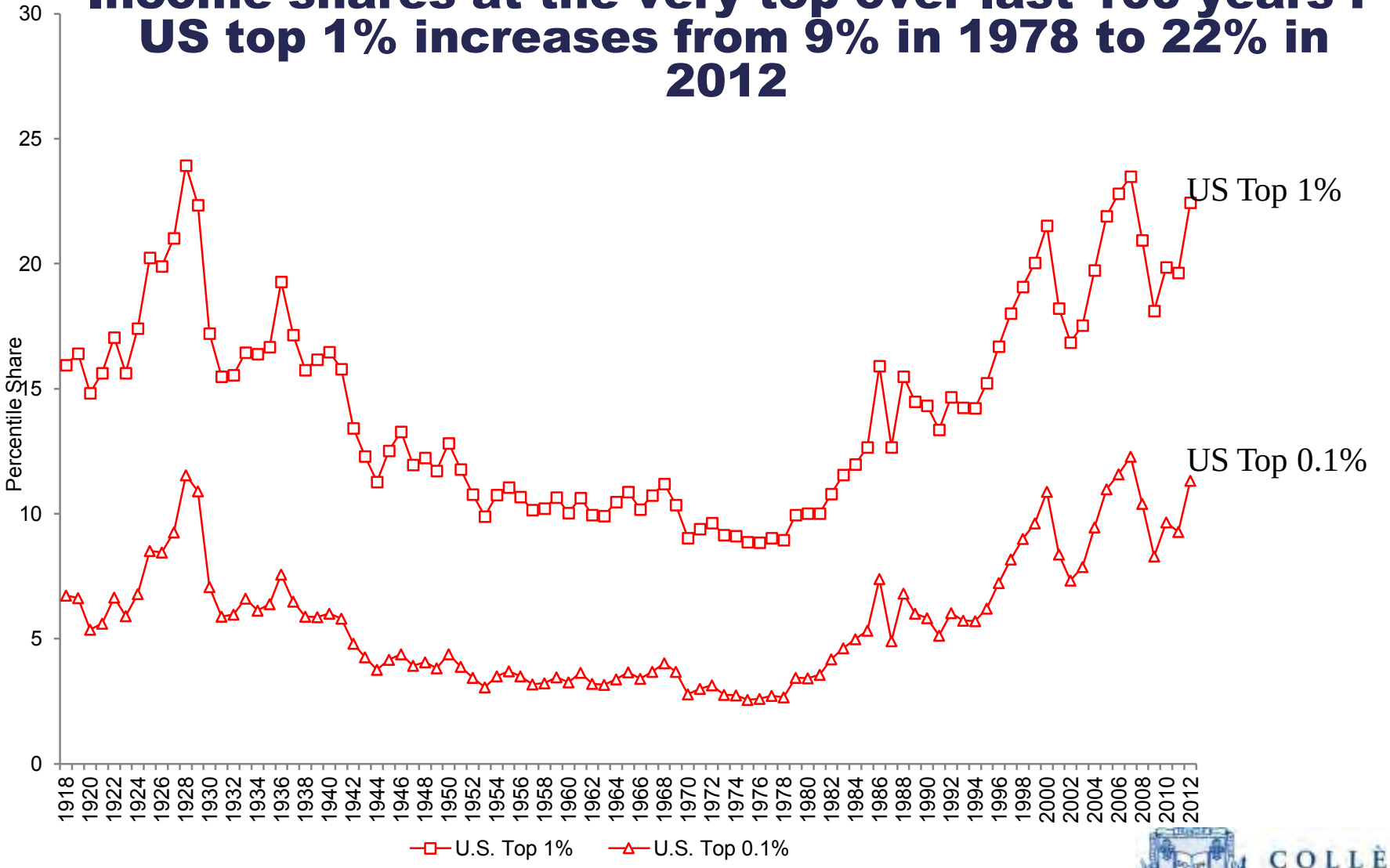
1530

LES FAITS

Income shares at the very top over last 100 years : US top 1% increases from 9% in 1978 to 22% in 2012



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Source: Atkinson, Piketty & Saez; High Income Database

PLAN

- Comment mesurer les inegalites?
- L'innovation est une source d'inegalites « au top »
- L'innovation comme moteur de mobilite social
- Le lobbying
- Mais…..

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- **Comment mesurer les inegalites?**
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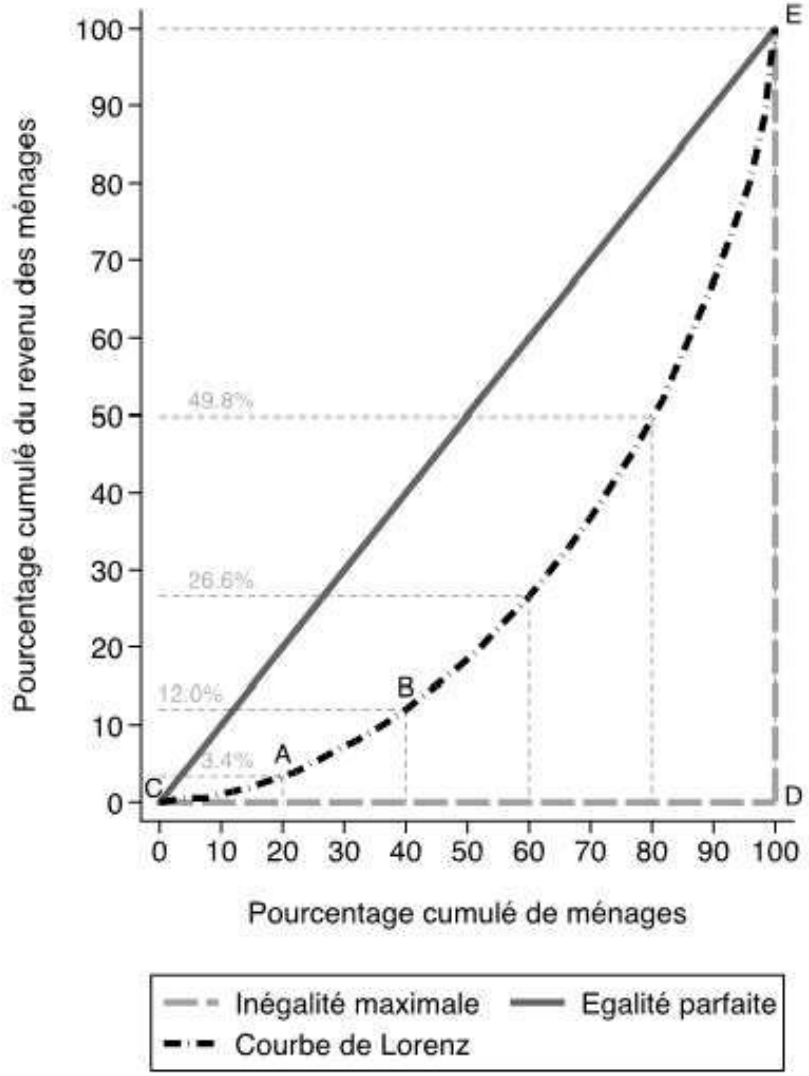
DIFFÉRENTES MESURES DES INÉGALITÉS

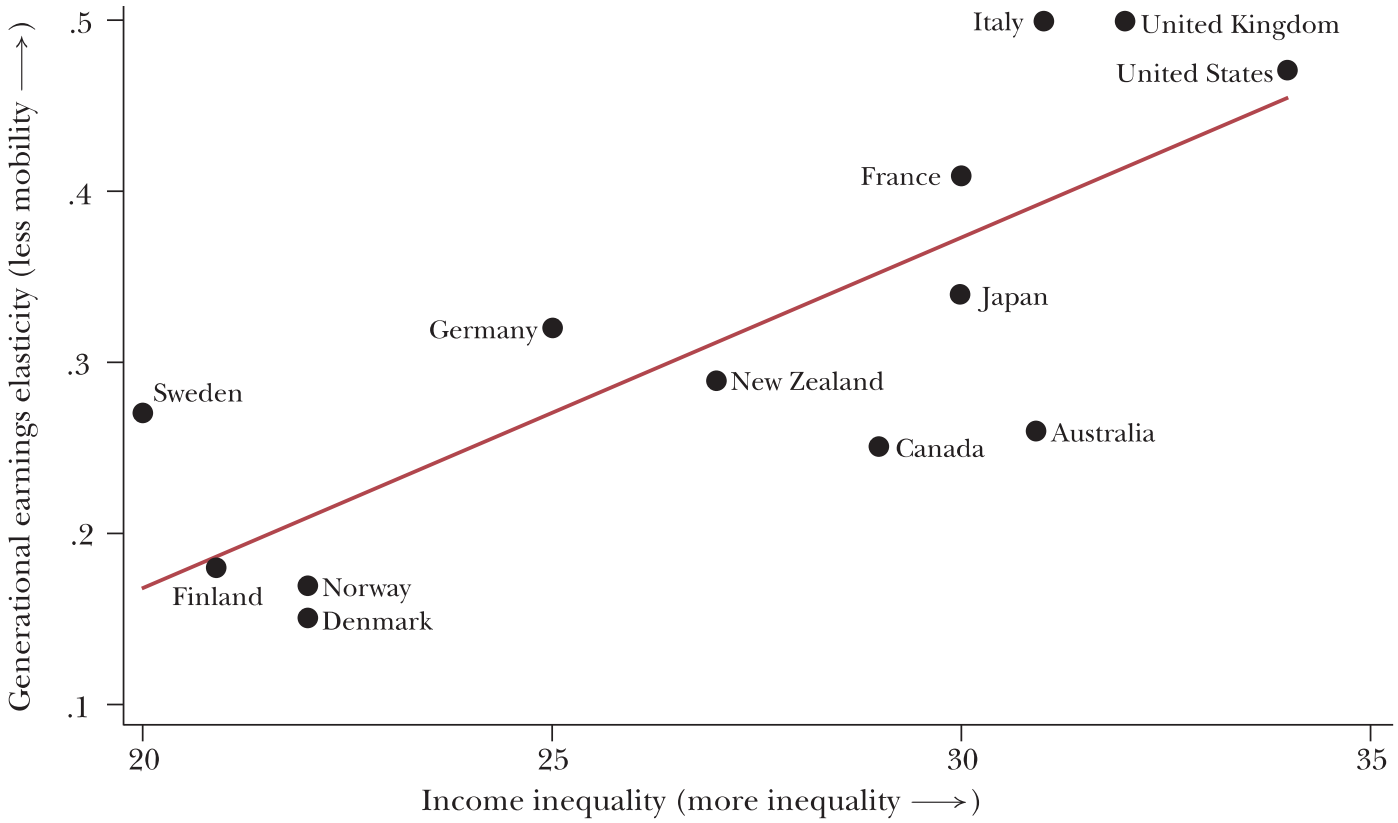
- Mesures *globales :*
  - Gini
  - Skill premium
  - 90/10 ratio, etc.
- *Top 1% income share*
- Mobilité sociale (Chetty et al, …)

Figure : La courbe de Lorenz pour les Etats-Unis en 2009



INÉGALITÉS DE REVENUS ET MOBILITÉ INTERGÉNÉRATIONNELLE

The Great Gatsby Curve: More Inequality is Associated with Less Mobility across the Generations



Source: Corak (2013) and OECD.

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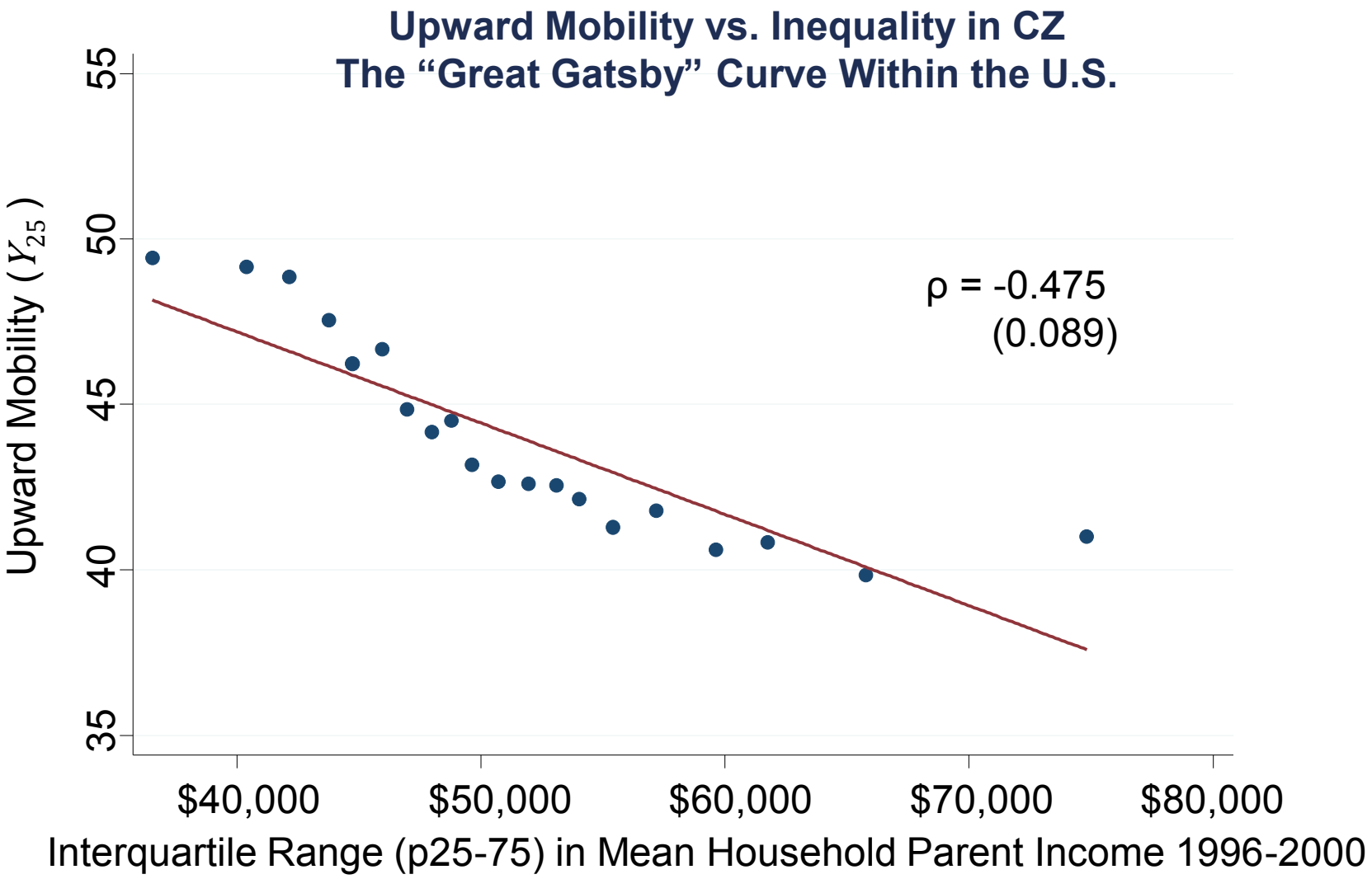
INÉGALITÉS DE REVENUS ET MOBILITÉ INTERGÉNÉRATIONNELLE



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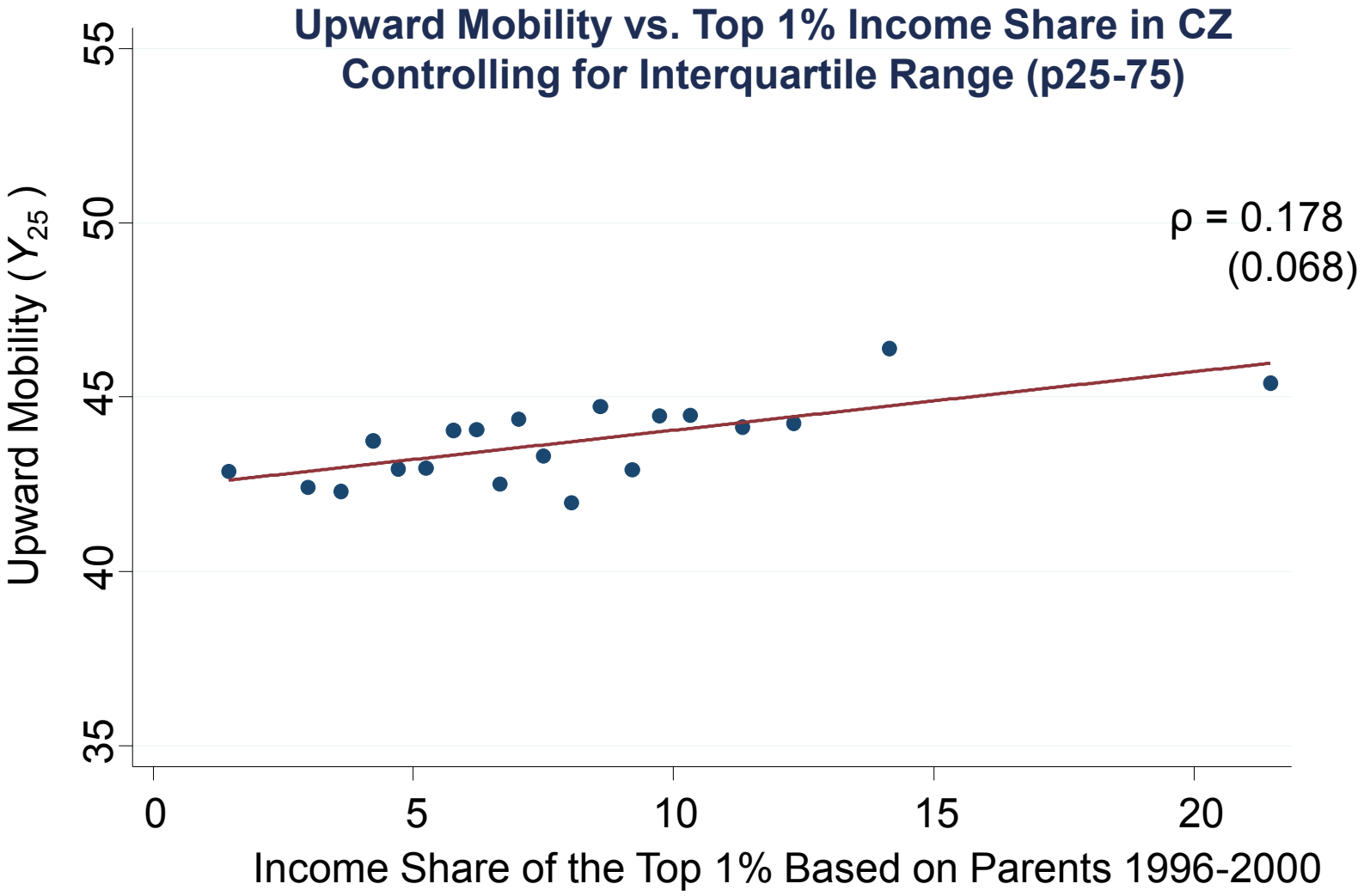
INÉGALITÉS DE REVENUS ET MOBILITÉ INTERGÉNÉRATIONNELLE



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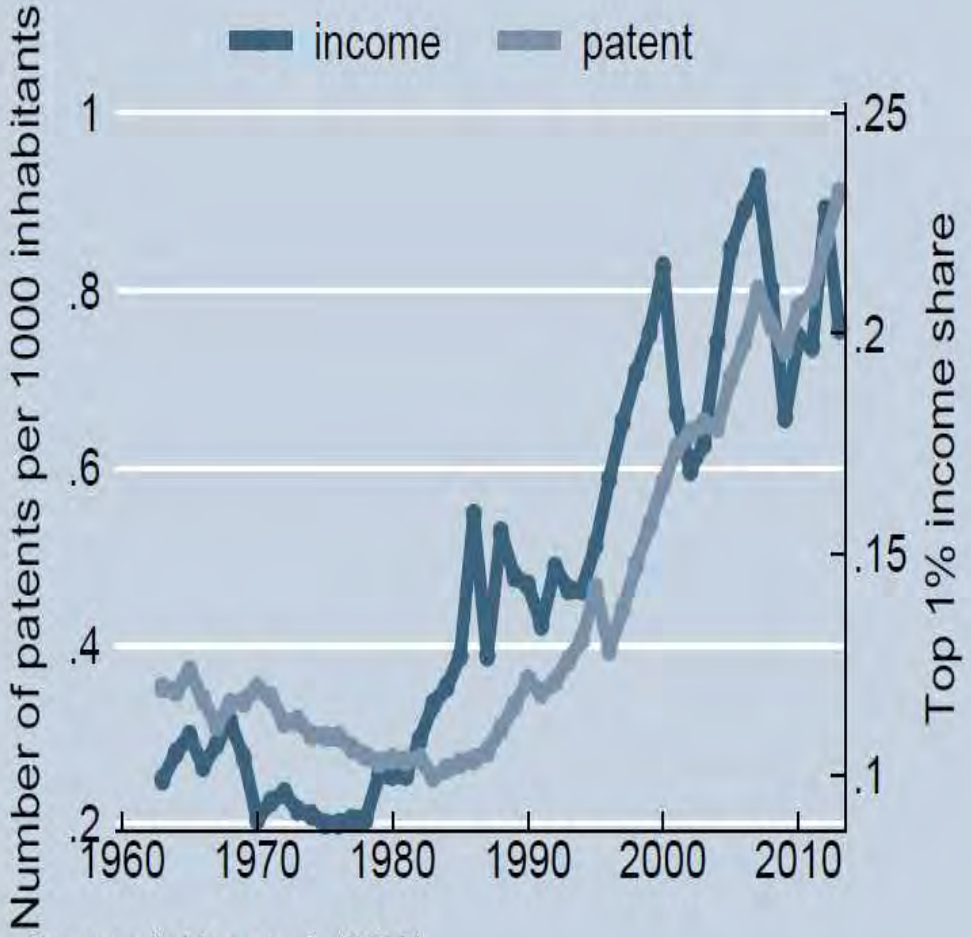
Innovation and Top Income Inequality in the US

Figure: Innovation and Top 1% Share in the US: 1963-2010

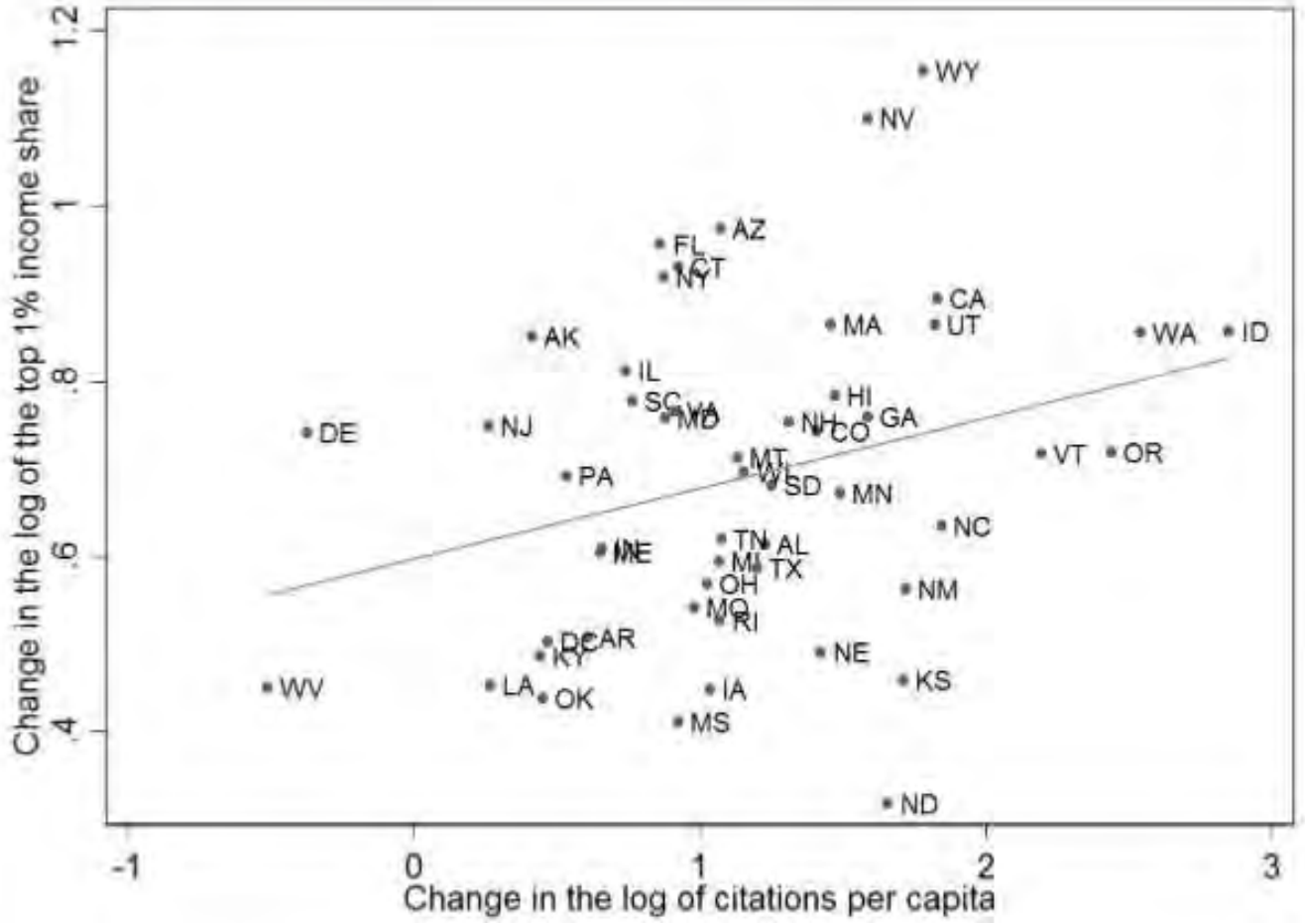
Top Income Share and Patenting

United States, 1963-2013



Source: Aghion et. al. (2015).

Innovation and top 1% share across states 1980-2005



THEORIE SCHUMPETERIENNE

La croissance est induite par l'innovation, et l'innovation est motivee par la perspective de rentes d'innovation

Mr Skype, Steve Jobs, Bill Gates

INNOVATION VERSUS D'AUTRES SOURCES DE TOP 1% INCOME

Genere de la croissance

Genere de la mobilite sociale

N'augmente pas les inegalites globales

EMPIRICAL STRATEGY

Our core empirical analysis is carried out at the US state level

Our dataset covers the period 1975-2014, a time range imposed upon us by the availability of patent data

Regressing top income inequality on innovativeness:

$$\log(y_{it}) = A + B_i + B_t + \beta_1(innov_{it-2}) + \beta_2 X_{it} + \varepsilon_{it}$$

INEQUALITY DATA

Data on share of income owned by the top 1% and the top 10% of income distribution are drawn from the US State-Level Income Inequality Database (Frank, 2009).

- Data based on IRS gross income measure, a broad measure of pre-tax income, including realized capital gains.

INNOVATION DATA

The US patent office (USPTO) provides complete statistics for patents granted between the years 1975 and 2014.

Information on the state of residence of the patent inventor, the date of application of the patent and a link to every citing patents granted before 2014.

We use several measure of innovativeness

- Number of patents
- Corrected number of citations within 5 years
- Two composite quality measure from the OECD
- Number of patents in the top 5% and top 1% most cited in each year

OLS: patents per capita and top 1% income share

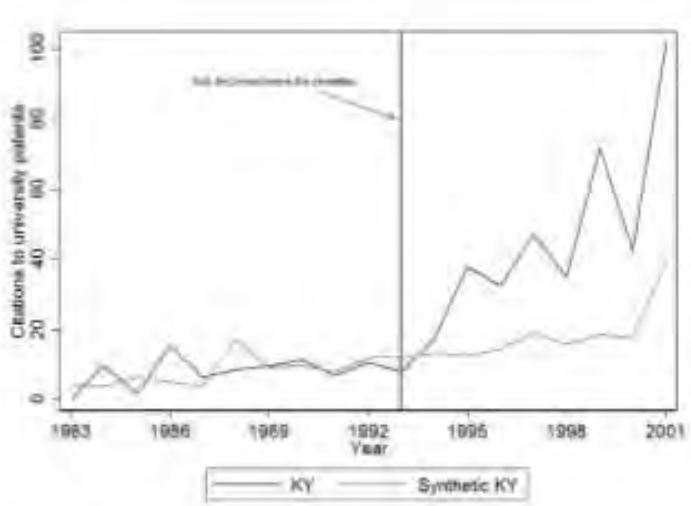
Table 4: Top 1% income share and innovation

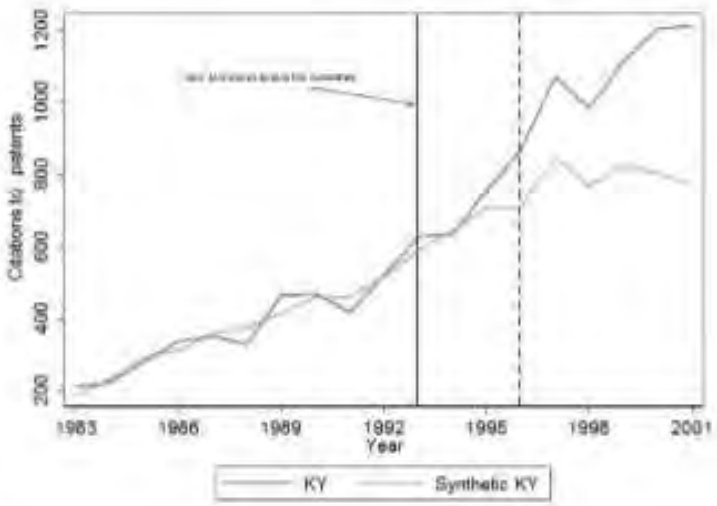
Dependent variable	Log of Top 1% Income Share					
	(1)	(2)	(3)	(4)	(5)	(6)
Measure of innovation	Patents	Cit5	Claims	Generality	Top5	Top1
Innovation	0.031***	0.049***	0.017*	0.024**	0.026***	0.020***
	(0.011)	(0.009)	(0.009)	(0.010)	(0.005)	(0.004)
Gdppc	0.089**	0.063	0.096**	0.093**	0.074*	0.087**
	(0.043)	(0.044)	(0.045)	(0.043)	(0.043)	(0.043)
Popgrowth	0.943	1.089	0.943	0.934	0.990	1.074
	(0.654)	(0.700)	(0.651)	(0.647)	(0.690)	(0.685)
Finance	0.080**	0.109***	0.072**	0.078**	0.098***	0.094***
	(0.035)	(0.036)	(0.035)	(0.035)	(0.035)	(0.035)
Government	-0.018	-0.019*	-0.018	-0.018	-0.018	-0.016
	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)
Unemployment	-0.006**	-0.006*	-0.005*	-0.006*	-0.006*	-0.005
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
TaxK	-0.038***	-0.039***	-0.038***	-0.038***	-0.038***	-0.037***
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
TaxL	0.017***	0.014**	0.017***	0.018***	0.013**	0.013**
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
R^2	0.889	0.896	0.889	0.889	0.895	0.895
Observations	1734	1581	1734	1734	1581	1581

Appropriation committee IV

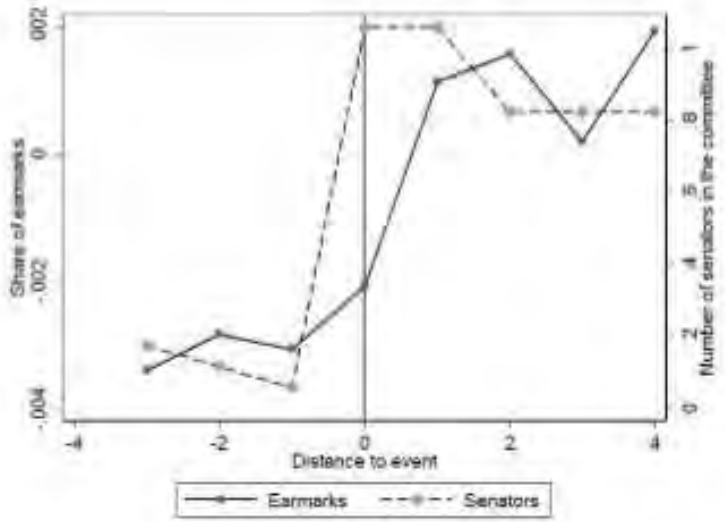
- IV based on the time-varying State composition of the appropriation committees of the Senate.
  - This committee allocates discretionary federal spending towards state and a large amount of these funds are for research institutions.
  - Rest of funding goes to construction sector or military spending (we control for infrastructure and military spending directly).
  - Nomination to the committee depends on political factors.
- Nomination of a senator from KY (McConnell in 1993) to the appropriation committee:
  - Increase in earmarks to KY (x10 between 92 and 93) notably funding for research,
  - Increase in publicly funded innovation,
  - Increase in all innovation through spillovers.

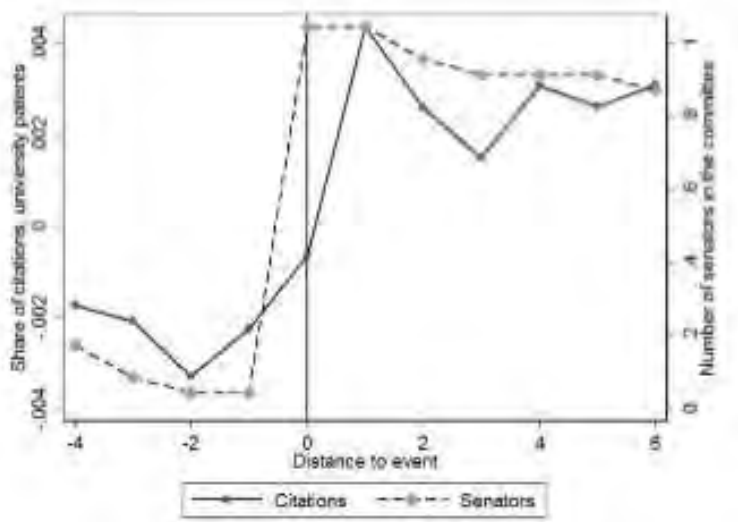
The McConnell effect





IV as an event study (1)





IV as an event study (2)

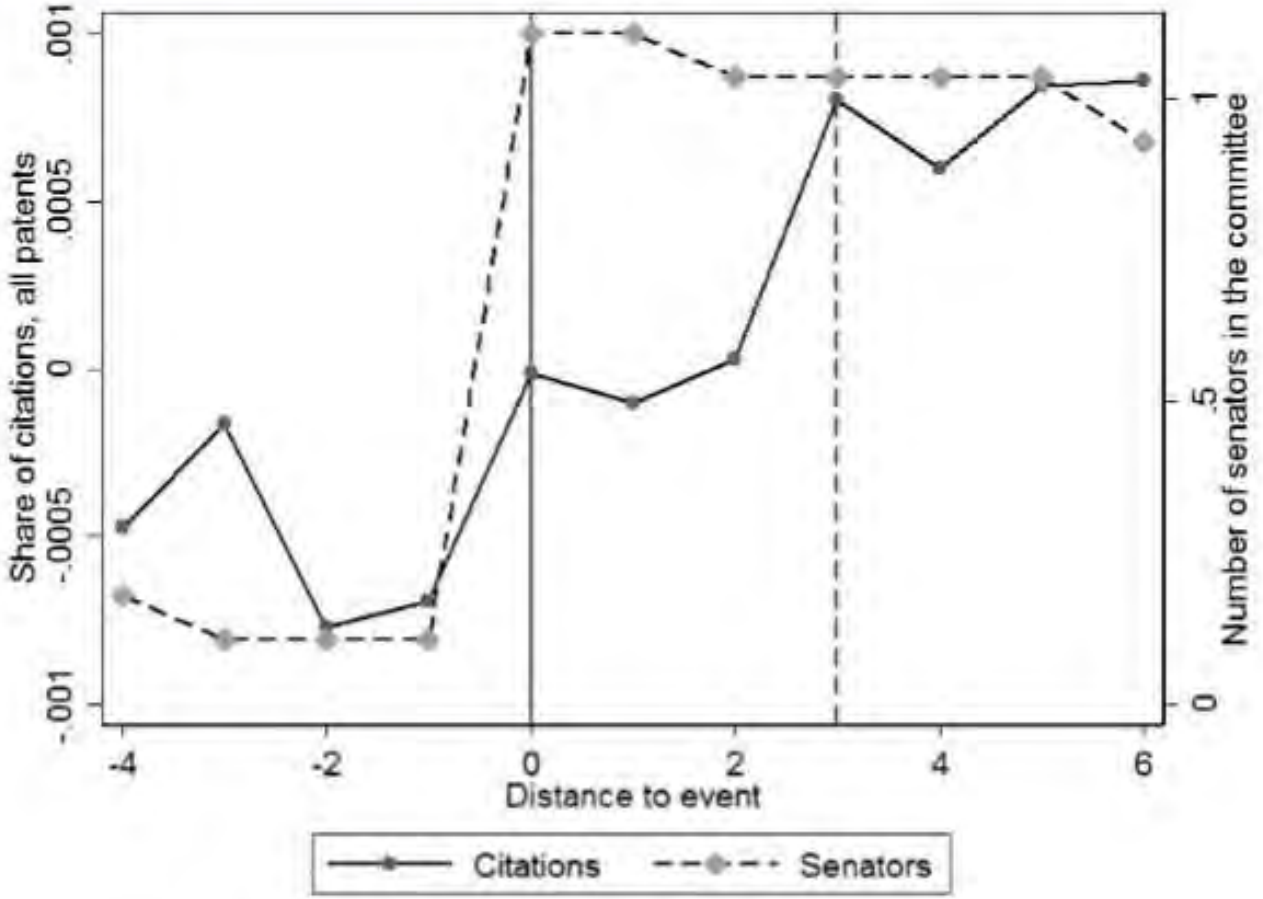
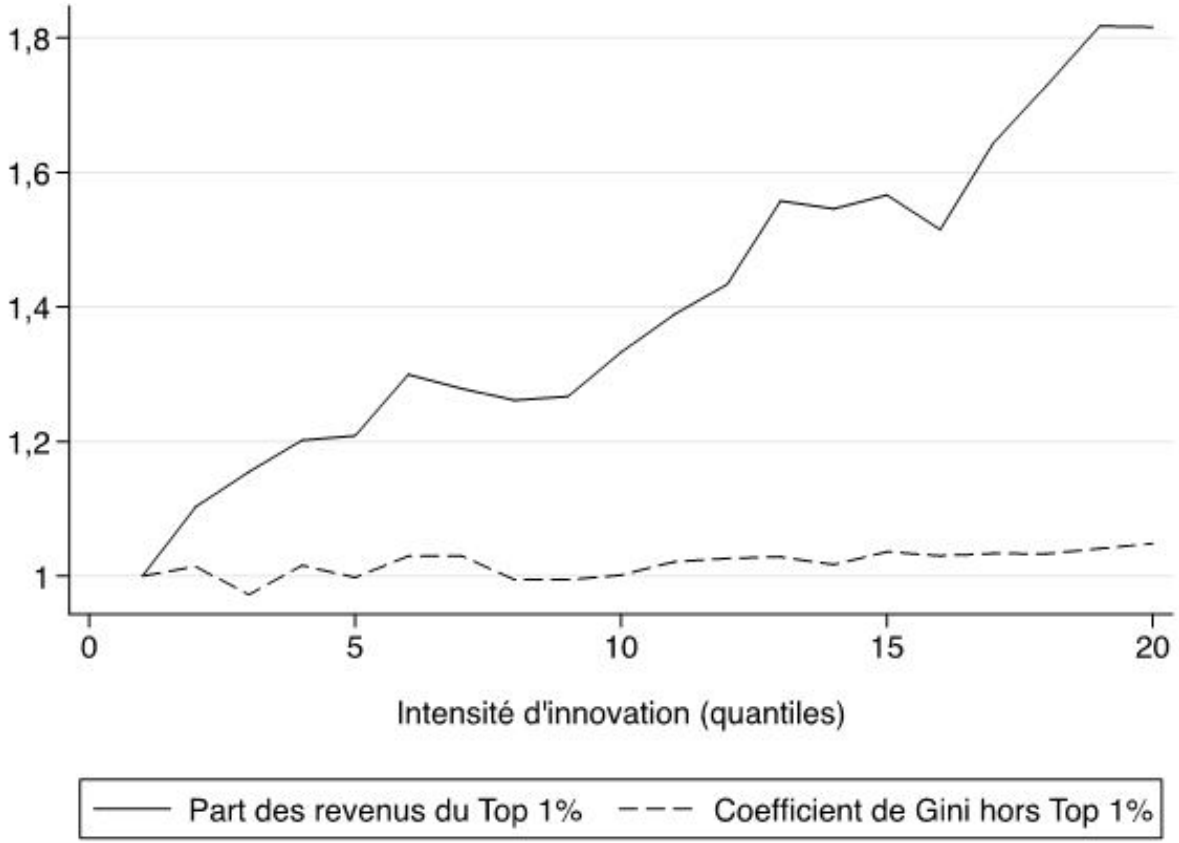


Figure 5 : Innovation, part des revenus du 1% et coefficient de Gini



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- Comment mesurer les inegalites?
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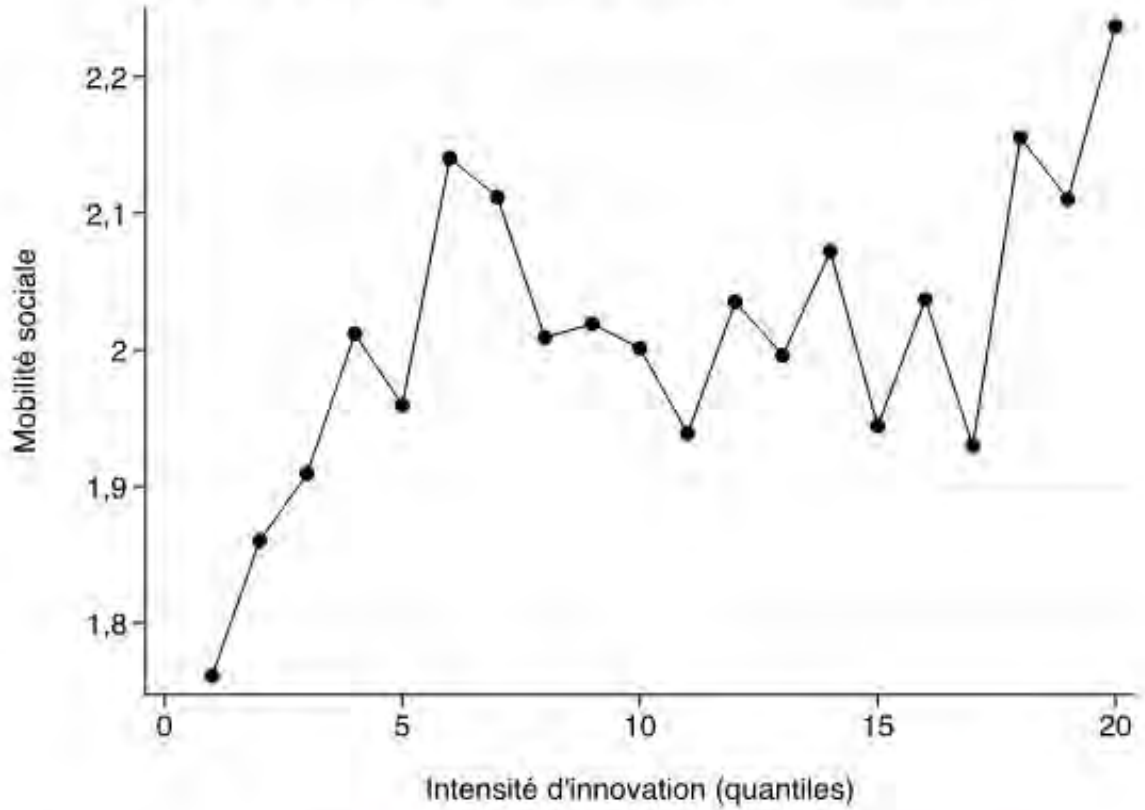
INNOVATION ET MOBILITE SOCIALE

Innovation and social mobility: data

- Social mobility data exist in cross-section at the commuting zone level (thanks to Chetty et al., 2015),
  - rank of children aged 30 in 2011-2012, income of parents in 1996-2000.
  - Measures of social mobility:
    - $AM25$ expected percentile of a child whose parents belonged to the 25^{th} percentile (resp. 50^{th});
    - $P(1,5)$: probability that a child is in quintile 1 when parents belonged to quintile 5.
    - Top 10 CZs in term of upward mobility include: San Jose, San Diego, San Francisco, Seattle, New York, Boston, Sacramento and Los Angeles.
  - Empirical strategy:

$$Mob_i = A + \beta_1 innov_i + \beta_2 X_i + \varepsilon_i.$$

Figure 6 : Innovation et mobilité sociale

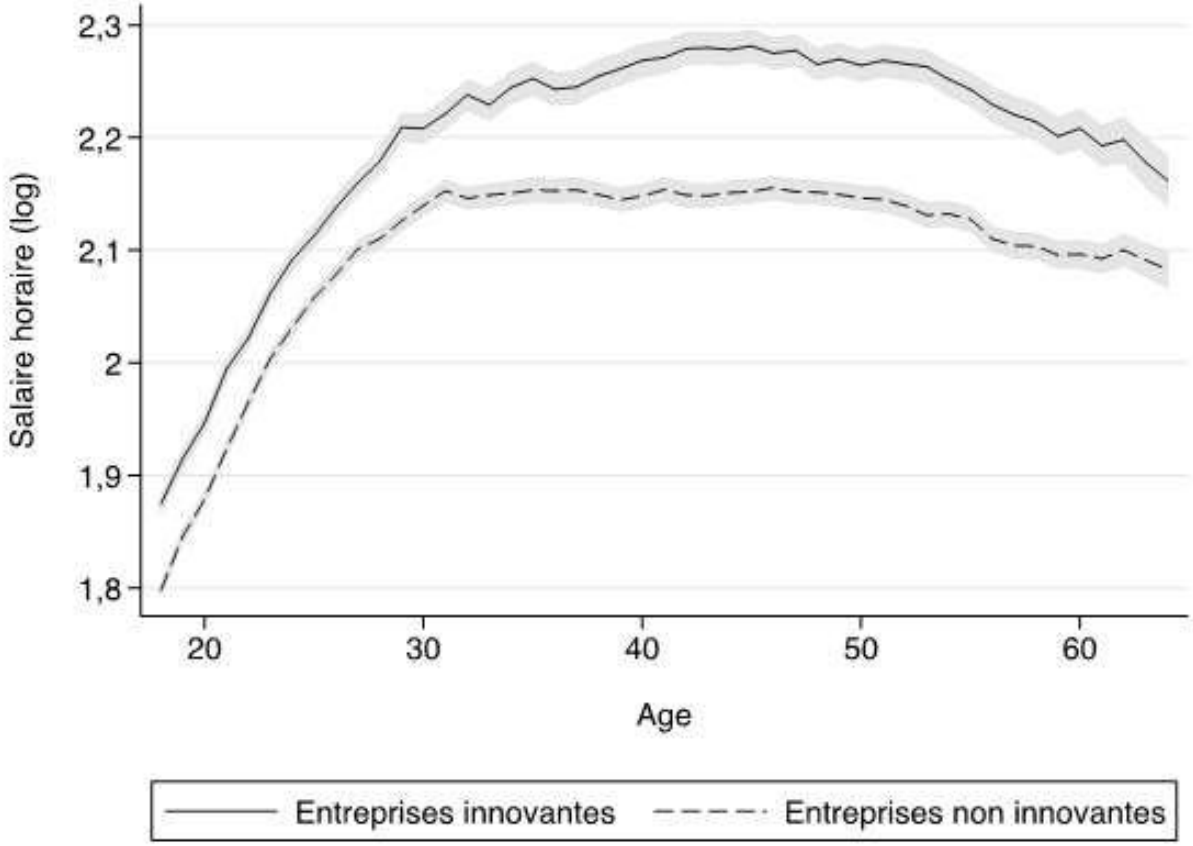


Source : Aghion, Akcigit, Bergeaud, Blundell et Hémous (2019).

Table 16: Innovation and social mobility at the Commuting Zone level. Entrants and incumbents innovation and lobbying

Dependent variable	AM25				
	(1)	(2)	(3)	(4)	(5)
Measure of innovation	Cit5	Cit5	Cit5	Cit5	Cit5
Innovation					
by entrants	0.023**		0.019*	0.001	0.035***
	(0.009)		(0.009)	(0.007)	(0.012)
by incumbents		0.016**	0.006	0.001	0.004
		(0.008)	(0.007)	(0.006)	(0.008)
Gdppc	-0.081	-0.047	-0.086	-0.058	-0.087
	(0.057)	(0.064)	(0.058)	(0.108)	(0.054)
Popgrowth	-1.774**	-1.847**	-1.827**	-3.428**	-0.907
	(0.821)	(0.837)	(0.863)	(1.293)	(0.968)
Finance	0.018	0.017	0.018	0.032	0.015
	(0.018)	(0.019)	(0.019)	(0.025)	(0.021)
Government	0.035	0.039	0.035	-0.019	0.036
	(0.033)	(0.035)	(0.033)	(0.023)	(0.040)
Participation Rate	0.225	0.199	0.203	0.896**	-0.054
	(0.208)	(0.217)	(0.210)	(0.338)	(0.217)
Tax	-0.001	-0.001	-0.001	0.001	-0.001
	(0.002)	(0.002)	(0.002)	(0.002)	(0.001)
School Expenditure	0.010	0.007	0.009	0.015	0.013
	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
Employment Manuf	-0.334***	-0.384***	-0.358***	-0.305***	-0.304**
	(0.109)	(0.113)	(0.113)	(0.110)	(0.125)
R^2	0.198	0.185	0.201	0.404	0.269
Observations	662	662	662	328	334

Figure 7 : Salaire moyen des travailleurs peu qualifiés



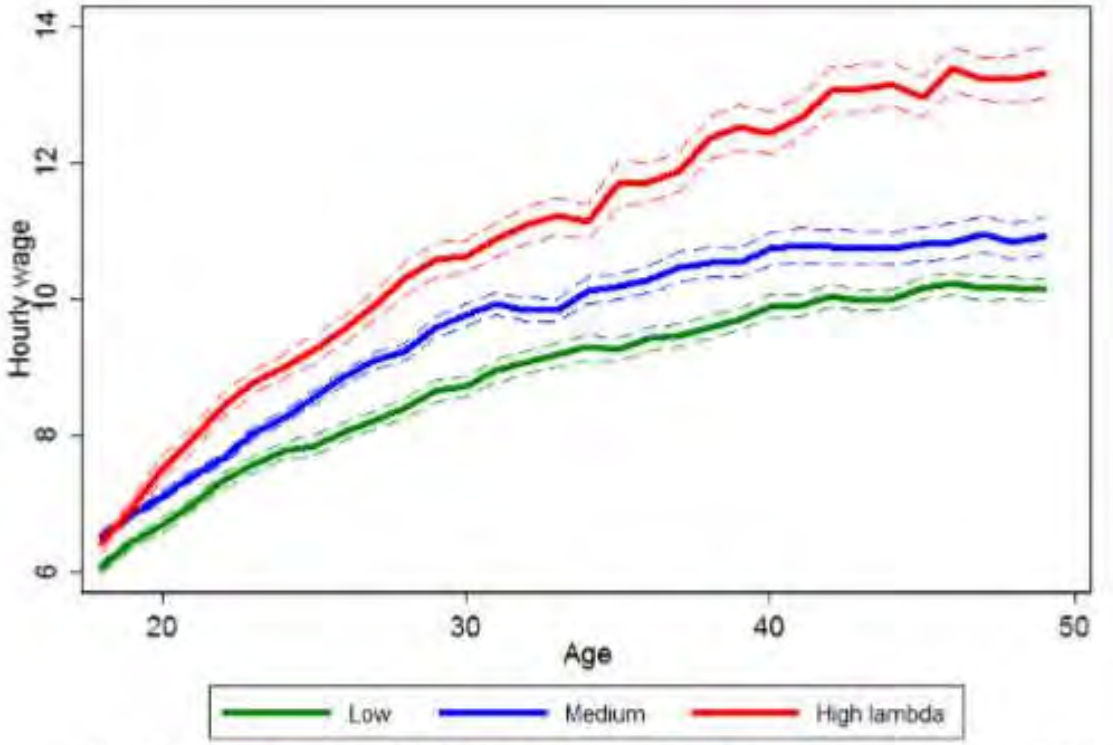
LES « BONS EMPLOIS »

Table: O*NET dimensions contributing to λ

O*NET Dimension	Weight
How important is being very exact of highly accurate in performing the job?	0.1191
How serious would be the result usually be if the worker made a mistake that was not readily correctable?	0.3377
What results do your decisions usually have on other people or the image or reputation or financial resources of your employer?	0.4395
How important is it to work with others in a group or team in this job?	0.3736
How responsible is the worker for work outcomes and results of other workers?	0.4004
How important is it to coordinate or lead others in accomplishing work activities in this job?	0.4425
How important is the following skill for your job: "Adjusting actions in relation to others action"?	0.4278

More wage progression for workers in high λ occupations

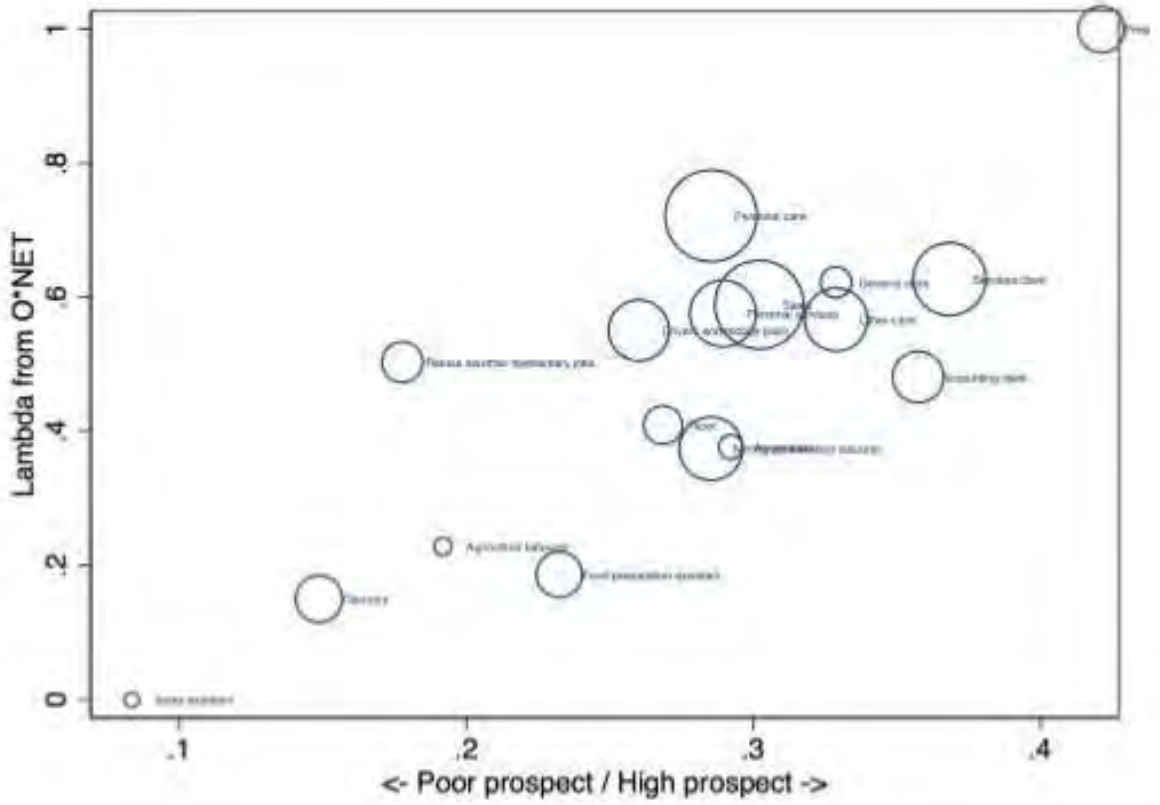
low-educated occupations only



Sample is male workers aged 18-49 in low-skilled occupations in private firms with 400+ employees

My job offers good prospects for career advancement

low-educated occupations



Workers in high λ occupations have longer tenure

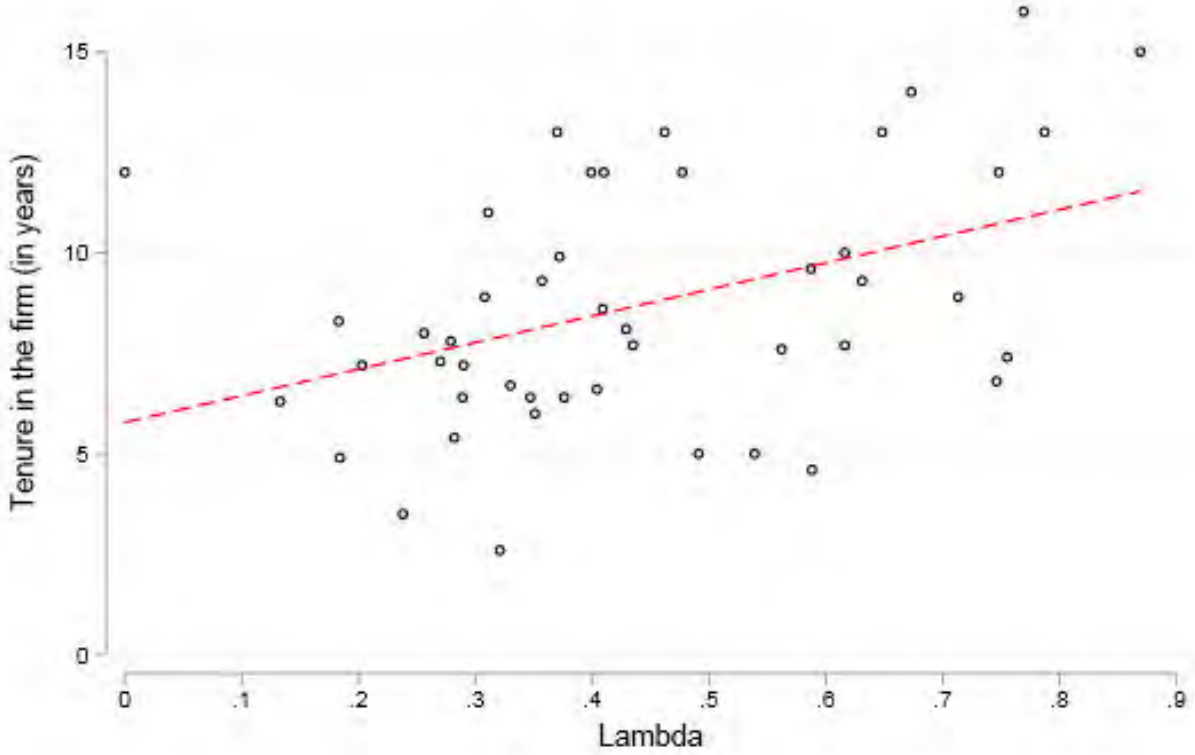
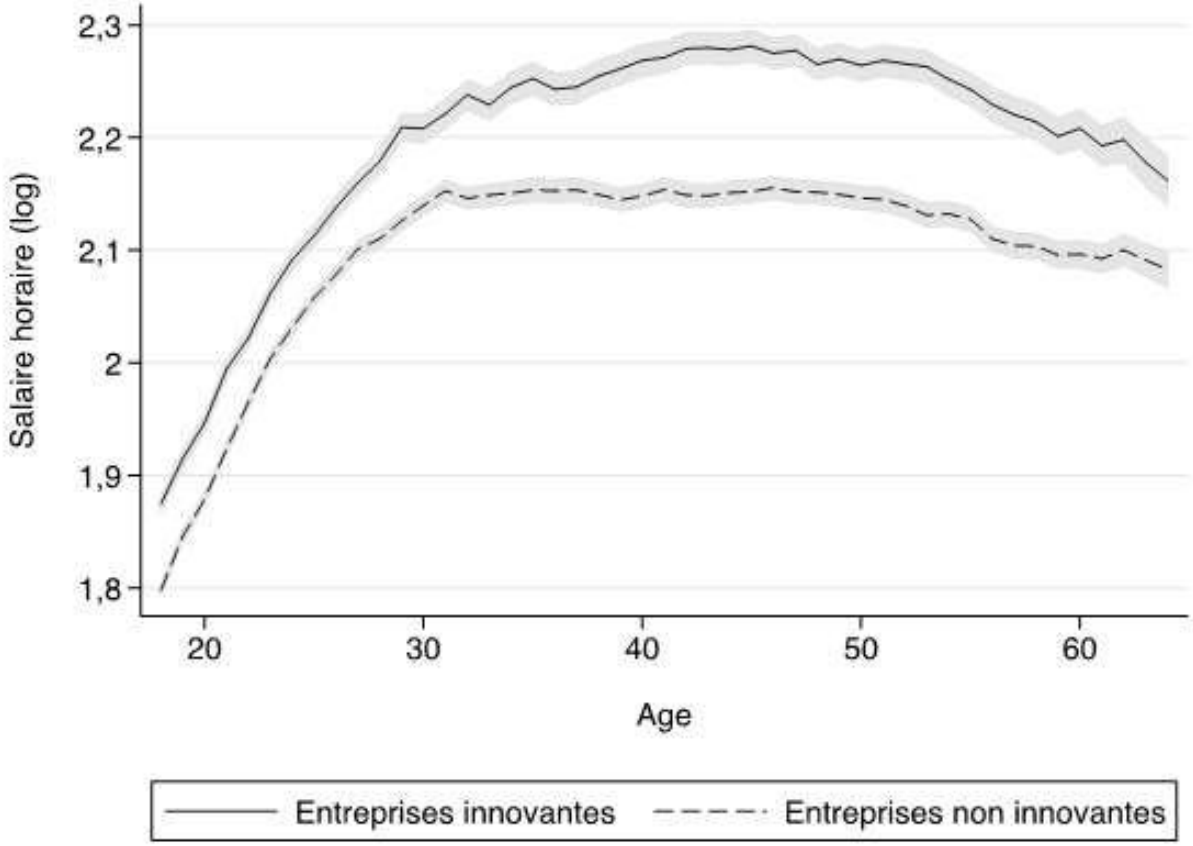


Figure 7 : Salaire moyen des travailleurs peu qualifiés



CONCLUSION JUSQU'ICI

Plusieurs facons de mesurer les inegalites

Gini et mobilite sociale sont des mesures pertinentes

L'innovation est une source d'inegalites "top 1%", mais elle genere de la mobilite sociale et n'augmente pas les inegalites globales

PLAN

- Comment mesurer les inegalites?
- L'innovation est une source d'inegalites « au top »
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- **Le lobbying**
- Mais…..

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BY CONTRAST, LOBBYING…

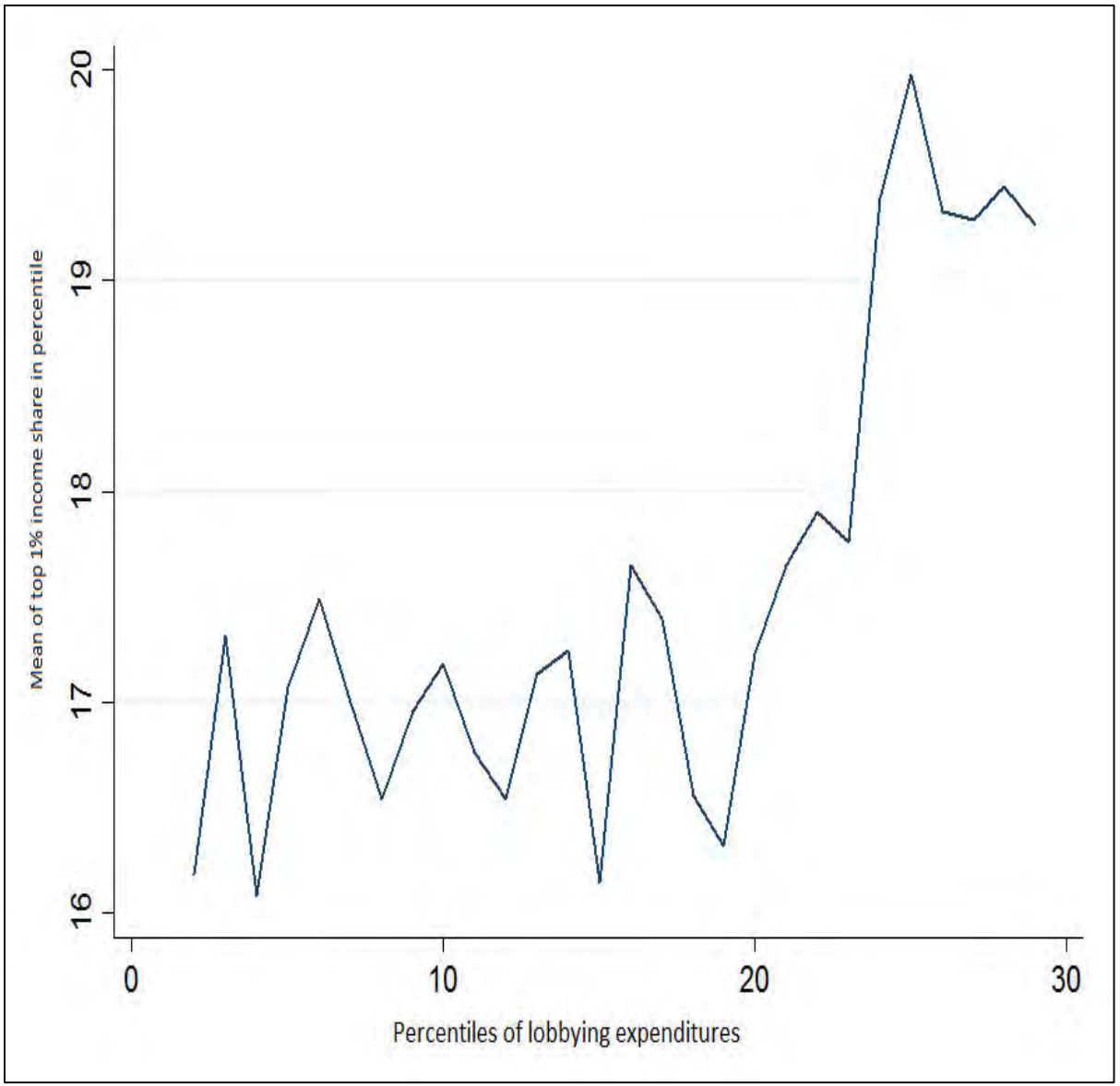
Increases top income inequality

Increases inequality at large

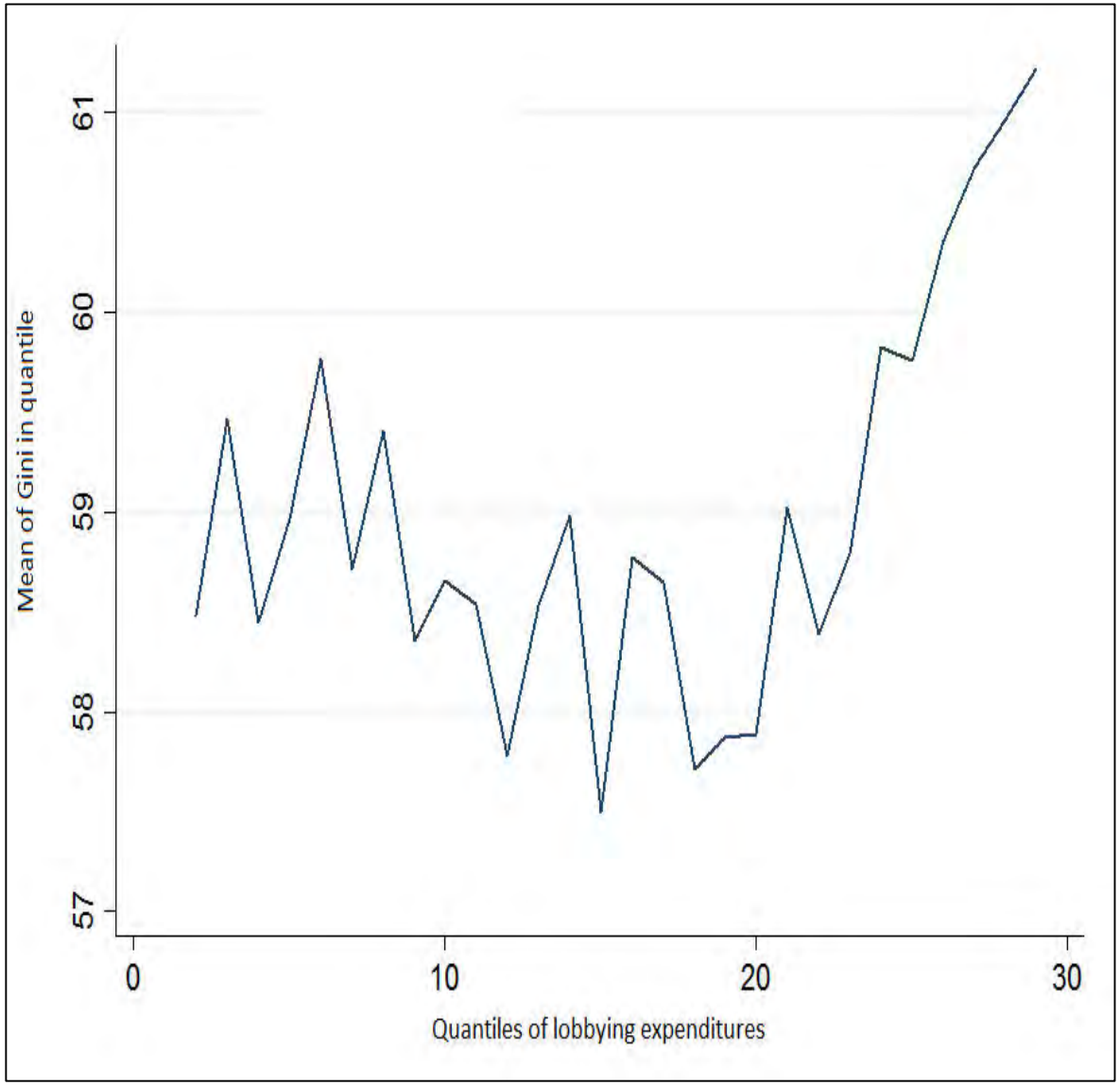
Reduces social mobility

Does not enhance growth

Lobbying VS Top1% (USA)



Lobbying VS GINI (USA)



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- **Mais…..**

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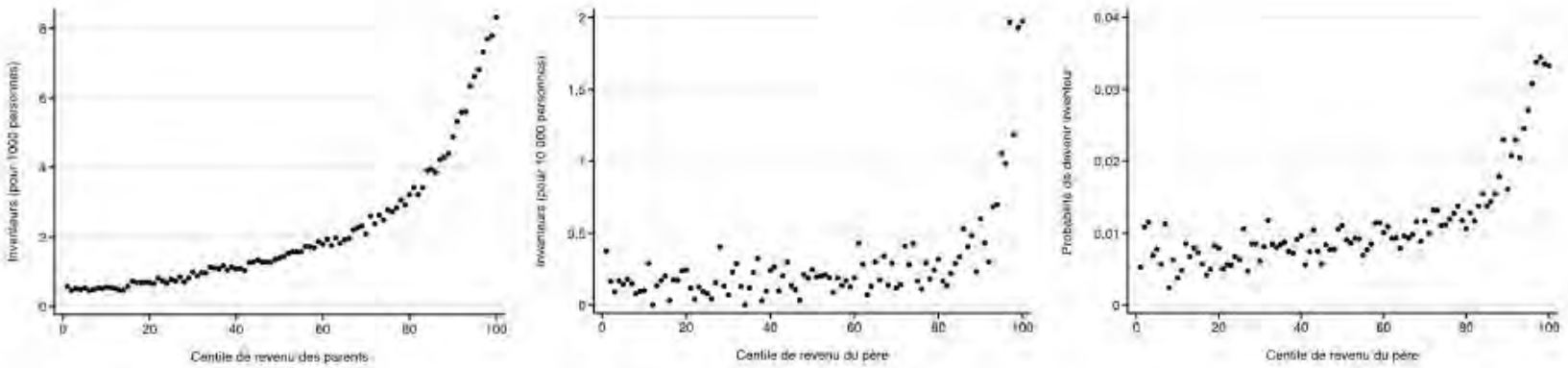
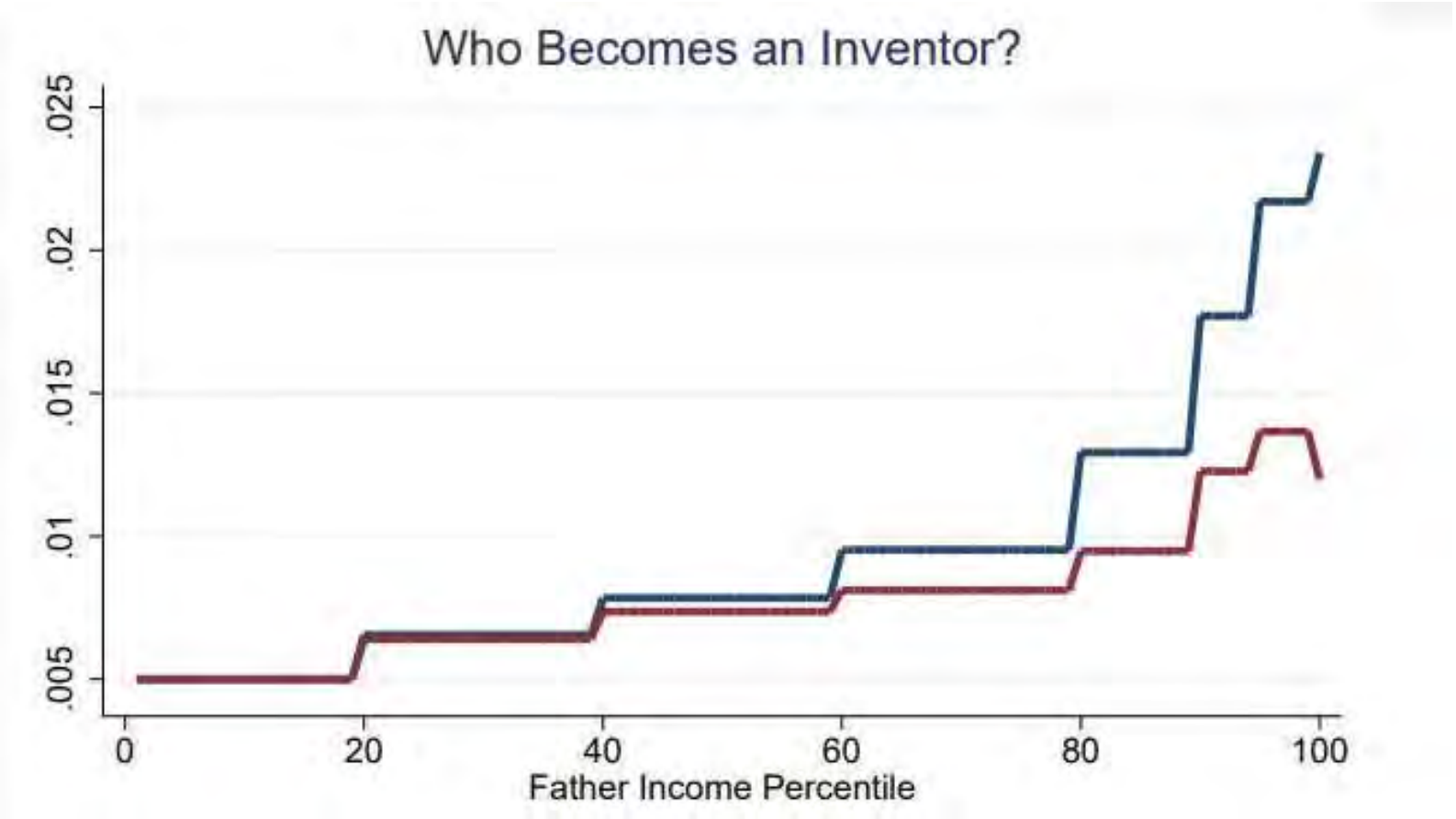
WHO BECOMES INNOVATOR?

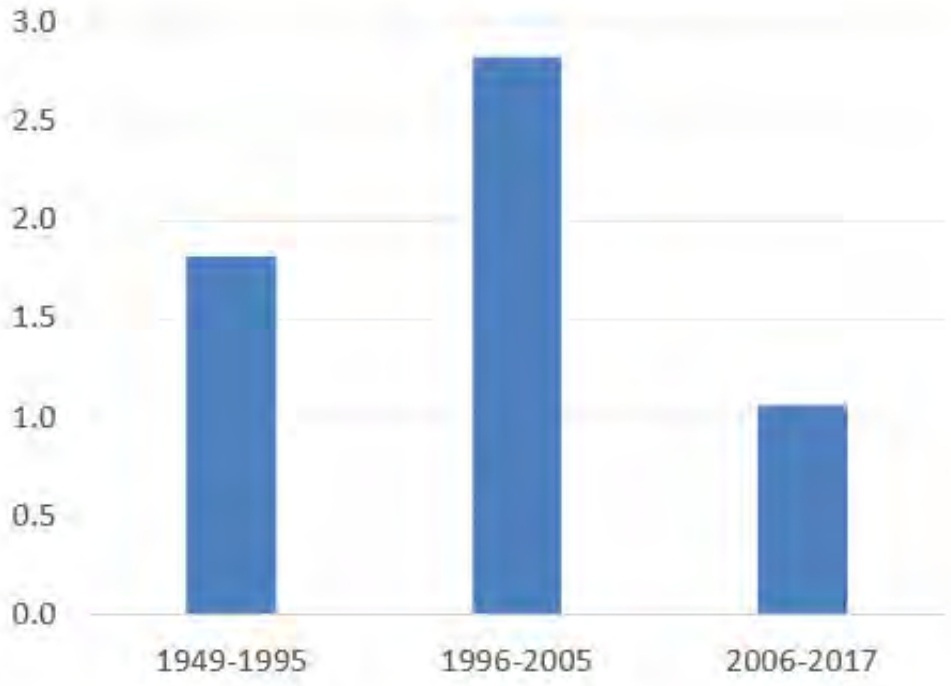


Sources : Bell, Chetty, Jaravel, Petkova et Van Reenen (2019) ; Akcigit, Grigsby et Nicholas (2017) ; Aghion, Akcigit, Hyytinen et Toivanen (2017).

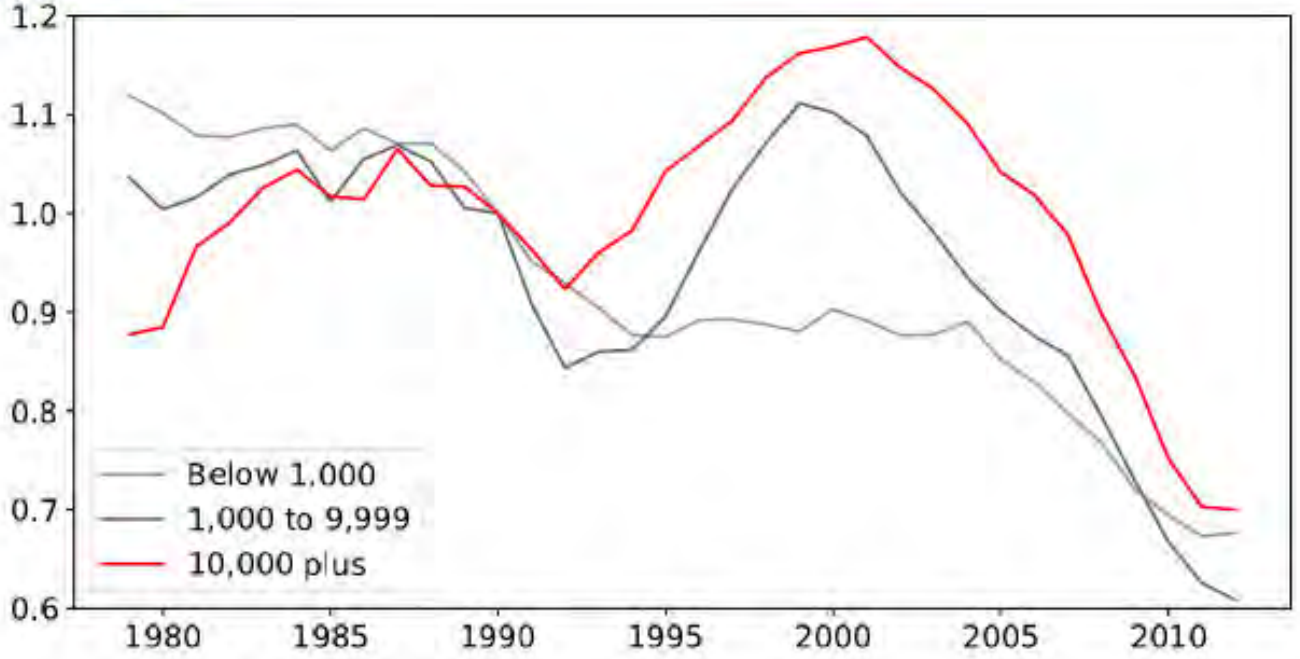

Who Becomes an Inventor?
.005
.01
.015
.02
.025
0
20
40
60
80
100
Father Income Percentile

YESTERDAY'S INNOVATORS MAY PREVENT MOBILITY

Rise and Decline in TFP Growth



Rise and decline in employment-weighted plant entry rate



Source: U.S. Census Bureau's *Business Dynamics Statistics*. Job creation by birth over total employment by firm size bins. 5-year centered moving average.

Inegalites: comment les reduire en France?

S.Stantcheva et D.Rodrik (rapport Blanchard-Tirole)

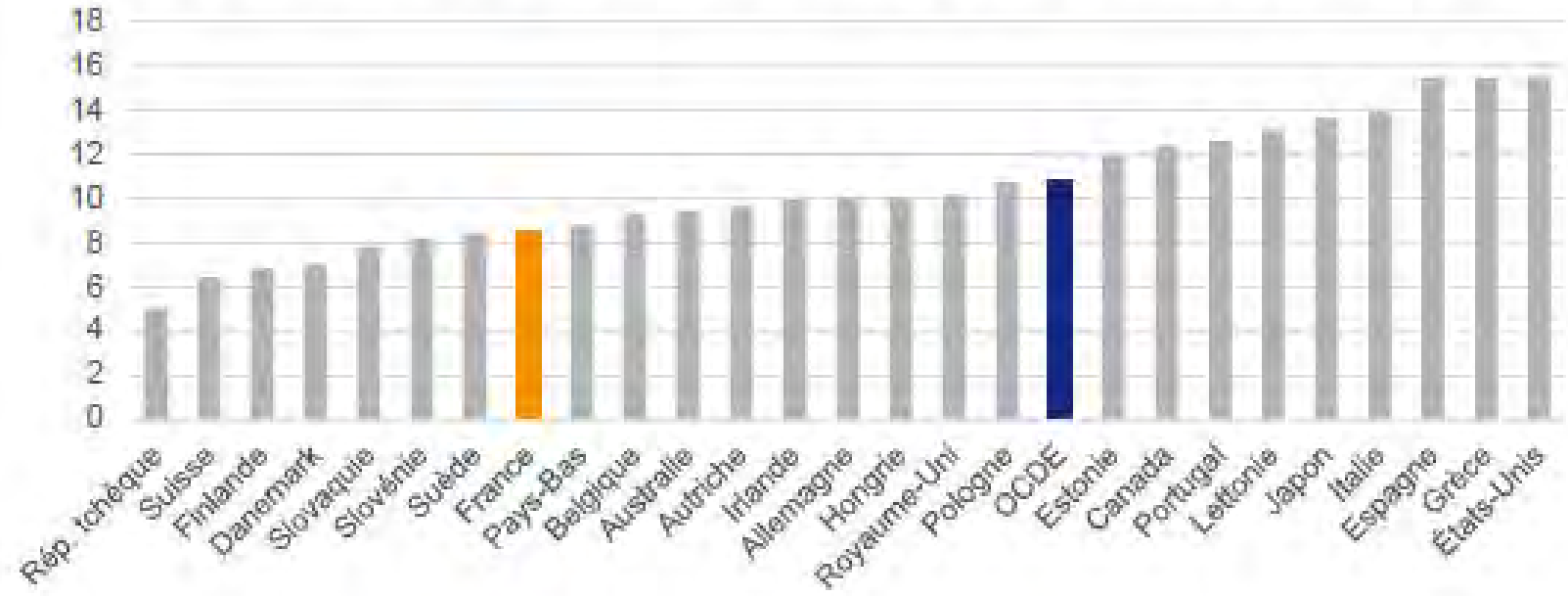
Pr. Philippe Aghion

A quel niveau agir sur les inégalités ?

- “Avant” la production : éducation, capital et origine sociale
- “Pendant” la production : qualité et nature du travail
- “Après” la production : revenus et patrimoine

L’impact de la redistribution

Graphique 4 – Taux de pauvreté *après* impôts (population de 18 à 65 ans)



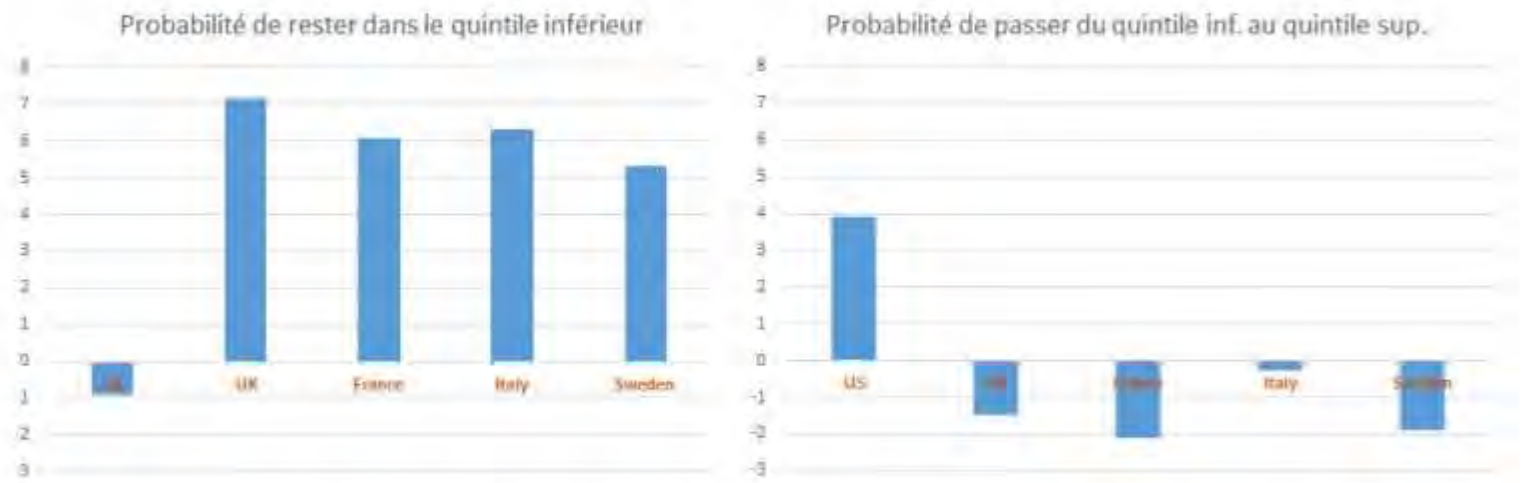
Source : OCDE (2019). Études économiques de l'OCDE, France, 2019

Inégalités de naissance, inégalités de territoire

Graphique 10 – Pourcentage de fils dans le quartile inférieur (supérieur) des revenus dont le père se situe dans le quartile inférieur (supérieur) en France comparé à la moyenne de l'OCDE

Source : OCDE (2018a)

Figure 5 – Écart entre perceptions et mesures empiriques de la mobilité positionnelle intergénérationnelle



Lecture : la probabilité de rester dans le quintile inférieur en France est surestimée de 6 points par les Français, la même probabilité aux États-Unis est sous-estimée d'un point par les Américains.

Source : Alesina et al. (2018)

PARTIE 1

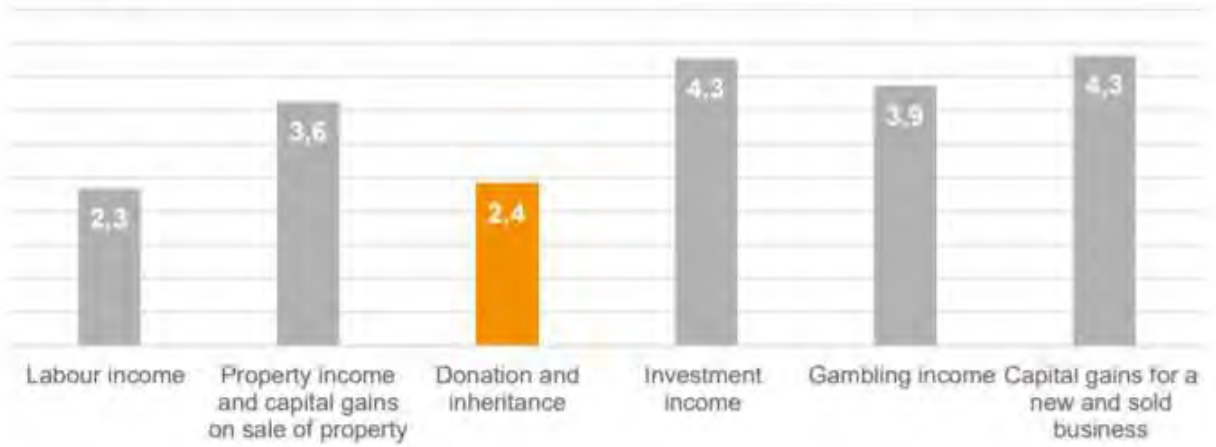
AVANT LA PRODUCTION

Inégalité des chances

- Inégalités de patrimoines: un frein à la mobilité sociale
- Education: réduire la transmission intergénérationnelle des inégalités

Un impôt mal compris et impopulaire

Figure 7 – Taxation on a 1 to 10 scale of various types of revenues



Scope: French population, 18 years old and above.

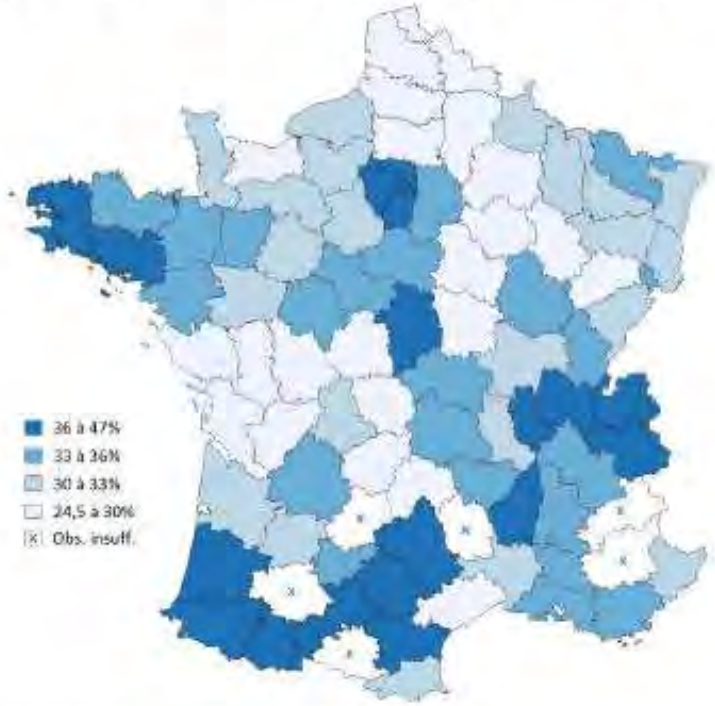
Question: "There are different types of incomes and capital gains, taxed in different ways depending on their origin. According to you, on a 1 to 10 scale (1 being the lowest tax rate and 10 the highest one), how should labour income, real estate income/capital gains from sale of real estate, donation and inheritance, financial capital income, gambling income and capital gains from sale of a business be taxed ?"

Reading: on average, French think labour income should be at a 2.3 tax rate on a 1 to 10 scale.

Source: "La fiscalité des héritages : connaissances et opinions des Français" (France Stratégie, 2018)

Inégalités de naissance et inégalités de territoire

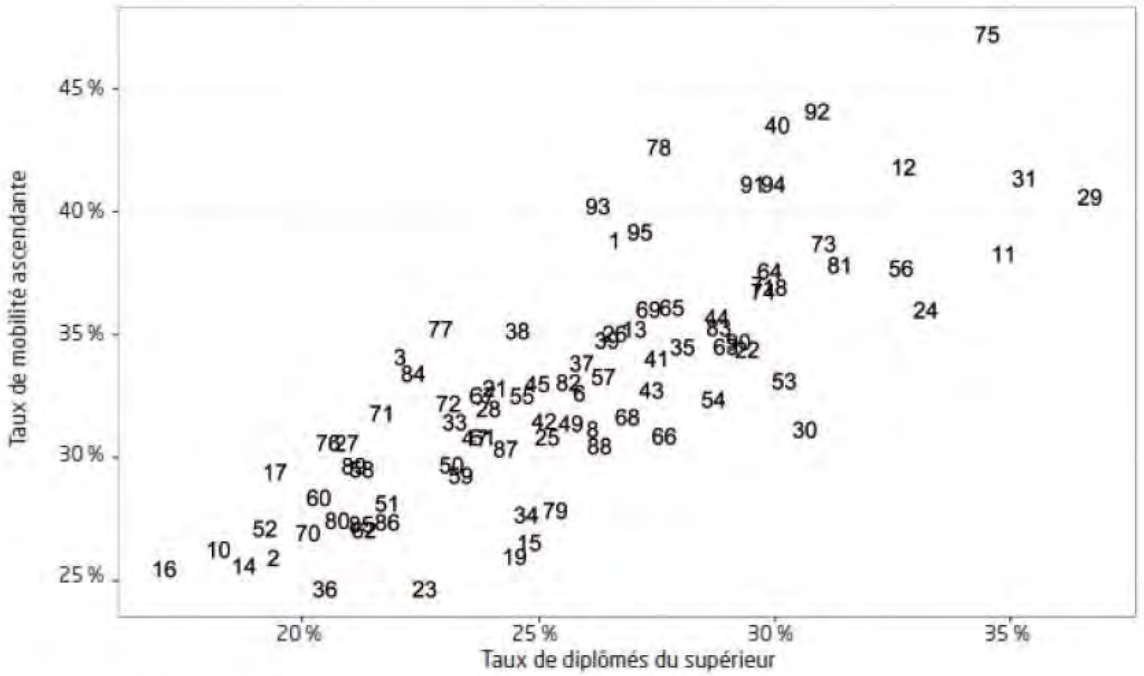
Graphique 12 – Proportion des enfants d'ouvriers et d'employés devenus cadres et professions intermédiaires, selon le département de naissance



Champ : individus âgés de 30 à 45 ans, nés entre 1965 et 1979.

Source : France Stratégie (2015), « La géographie de l'ascension sociale », par Dherbécourt C., La Note d'analyse, *n° 36, novembre*

Graphique 14 – Taux de diplômés du supérieur et de mobilité ascendante parmi les enfants de classes populaires, par département



Champ : individus nés entre 1965 et 1979.

Note : le taux de mobilité ascendante est le taux de personnes appartenant à une meilleure catégorie socio-professionnelle que leurs parents.

Source : France Stratégie (2015), « La géographie de l'ascension sociale », op. cit.

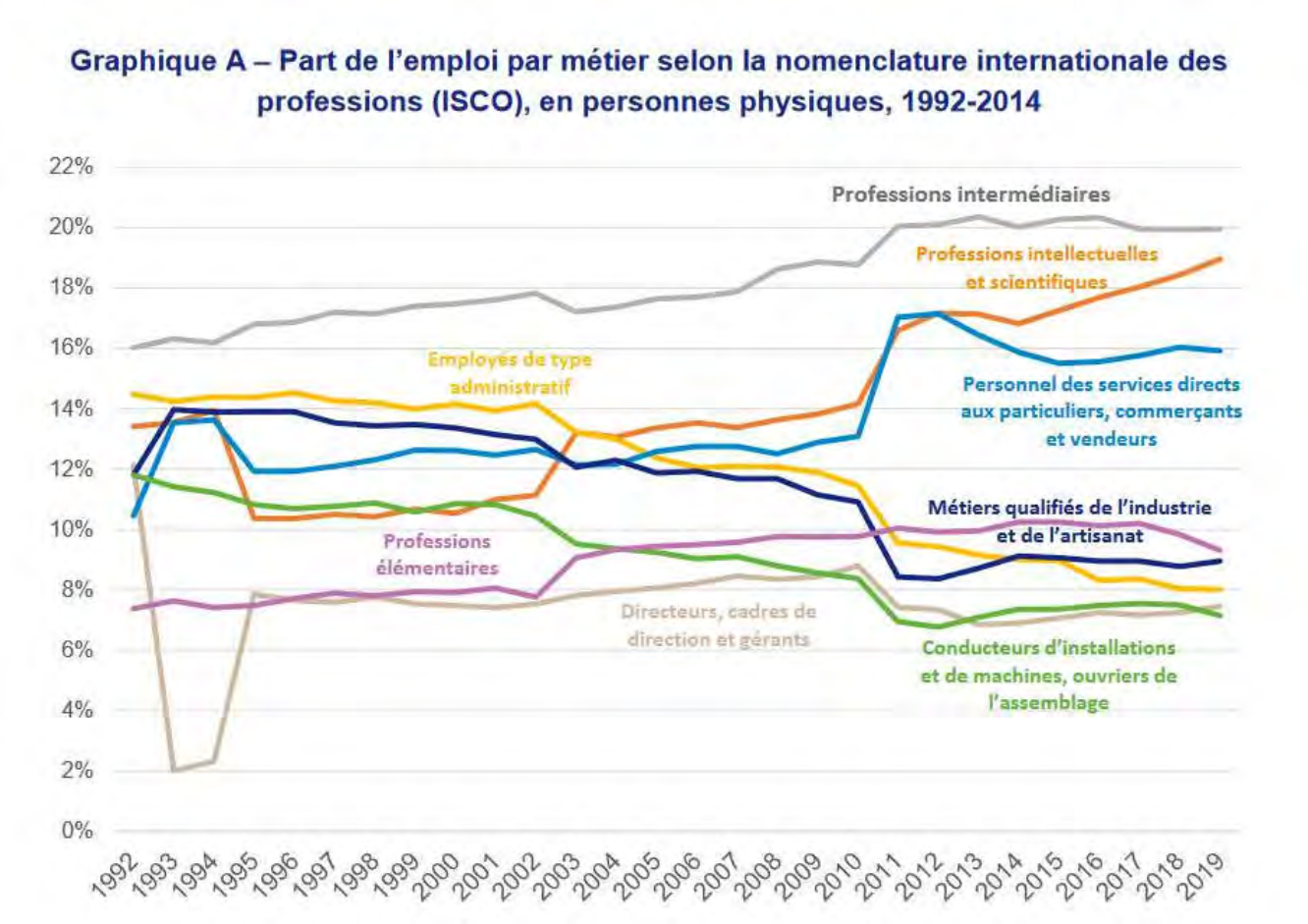
PART 2

PENDANT LA PRODUCTION

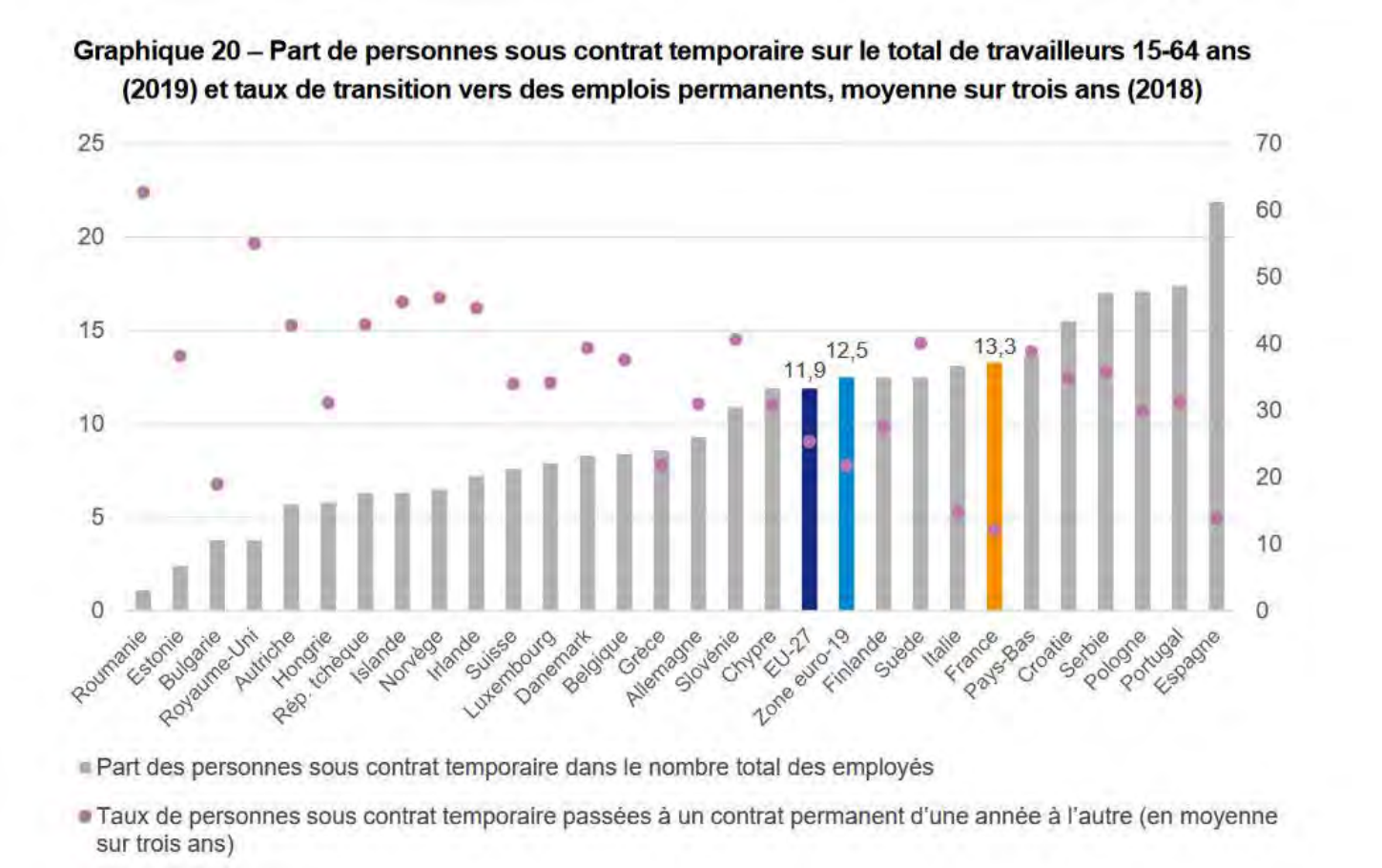
Qualité du travail et évolution du marché de l'emploi

- Polarisation du marché du travail : diminution de la part des métiers intermédiaires (salaire et éducation)
- Qualité de travail :bonne rémunération possibilités d'avancement, de responsabilités, de durée d'emploi suffisamment longue, d'environnement de travail décent (enquête 2020 Jobs, Inequality and Insecurity survey en France)

La polarisation de l'emploi en France



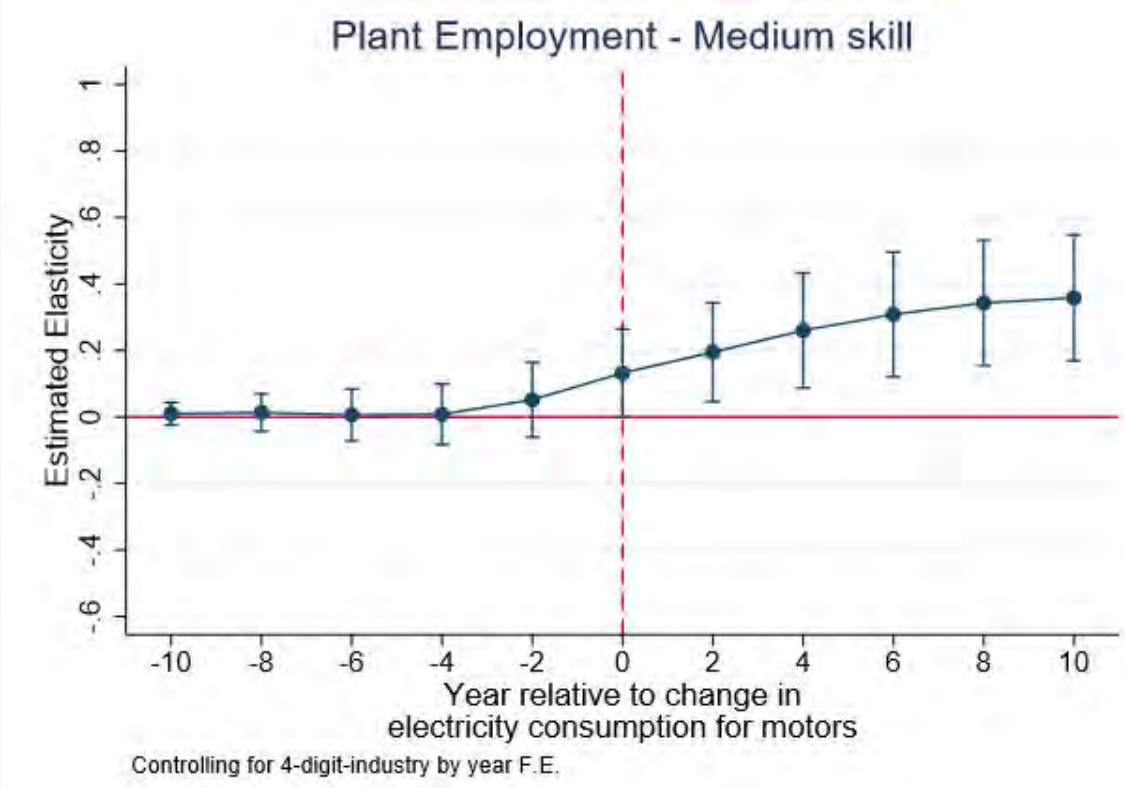
Quelle partie de l'emploi est temporaire en France ?

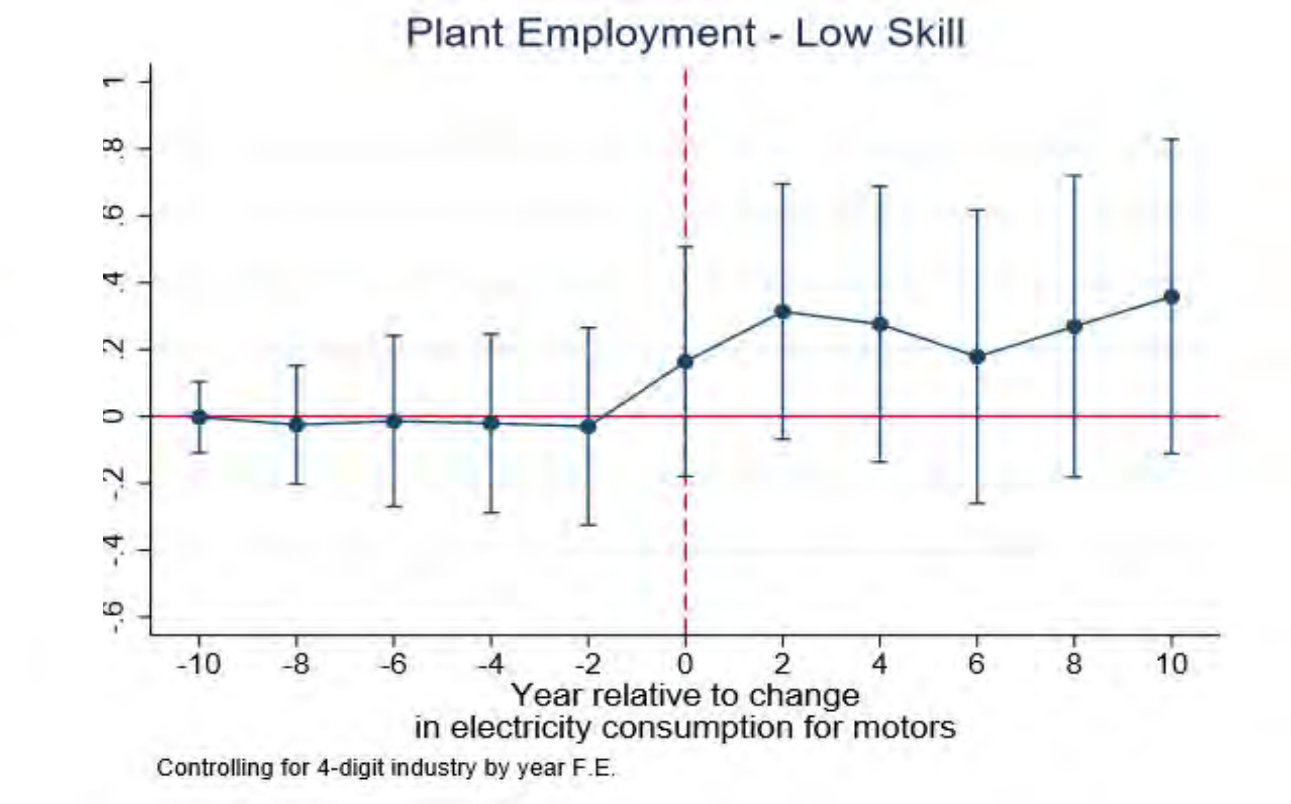


Quels déterminants pour ces dynamiques ?

- Pour les pertes d'emploi, les Français blâment la délocalisation (57%) et 28% la technologie
- Commerce international et automatisation : détruisent des emplois mais augmentent la productivité -> création d'emplois

Effet de l’automatisation sur l’emploi





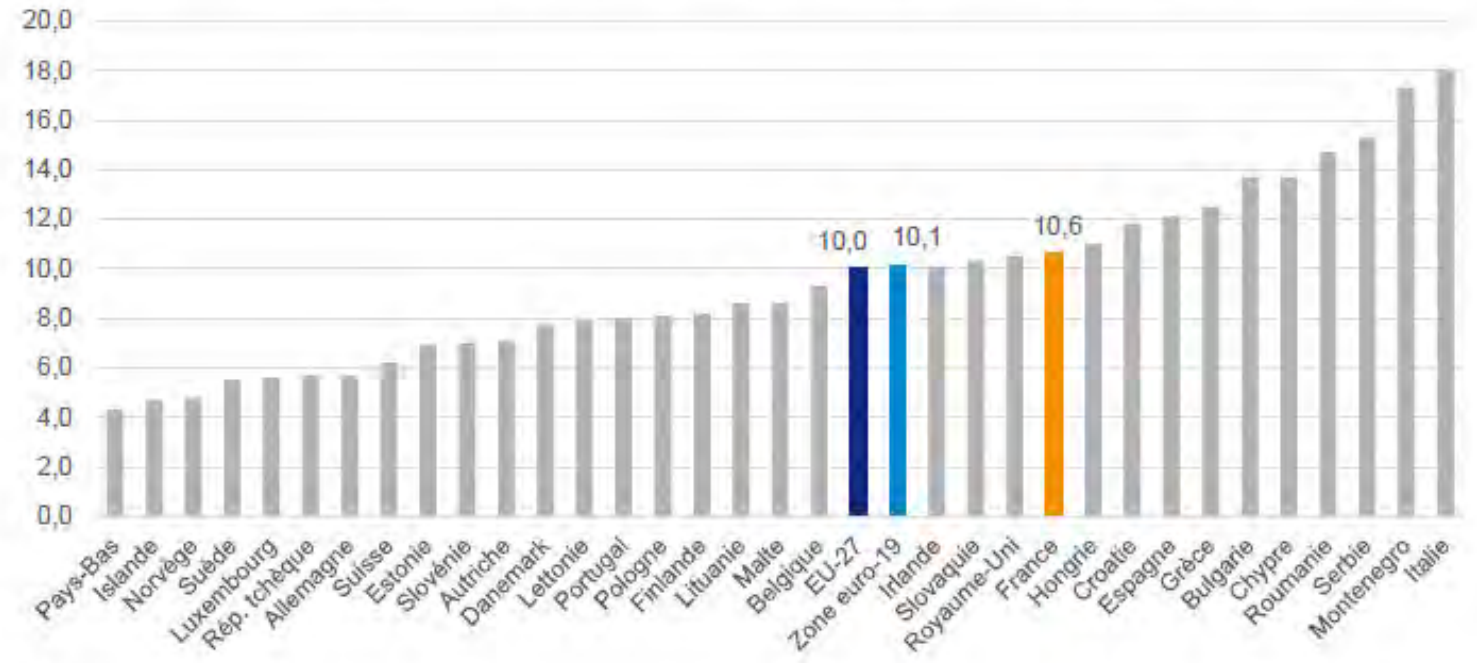
Aghion, P., Antonin, C., Bunel, S., & Jaravel, X. (2020). What are the labor and product market effects of automation? New Evidence from France.

Formation professionnelle en France

- Compte professionnel de formation : permettre d'investir dans ses propres compétences
- Plan d'investissement dans les compétences: viser les populations vulnérables (peu de qualifications, jeunes NEET (ni emploi, ni études, ni formation), 15 milliards pour 1 million de personnes de chaque catégorie

Combien de “NEET” en France ?

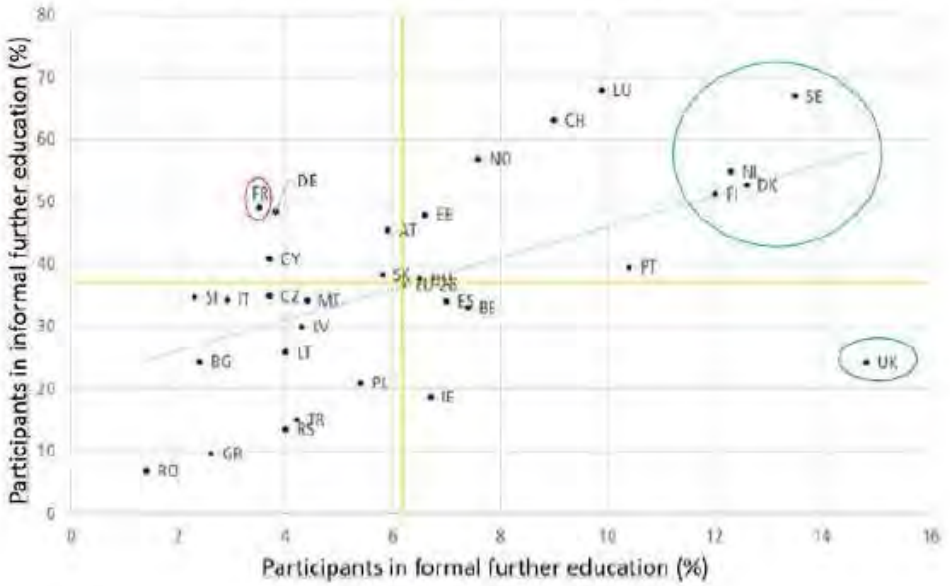
Figure 17 – Part des jeunes de 15 à 24 ans ni en emploi, ni en études, ni en formation (NEET) – données annuelles 2019



Source : Eurostat

Comment la France se compare-t-elle en formation professionnelle ?

Graphique 38 – Formation continue formelle et informelle



Note : en abscisses, participants en formation continue formelle (%) ; en ordonnées, participants en formation continue informelle (%). Les pays scandinaves et les Pays-Bas (cercle vert) et le Royaume-Uni (cercle bleu) affichent un taux d'emploi des travailleurs seniors beaucoup plus élevé que celui de la France.

Source : Research Institute for the Economics of Education and Social Affairs, Berlin, 2016

PART 3

APRÈS LA PRODUCTION

Comment redistribuer en aval de la production ?

	Revenus les plus bas	Classe moyenne	Revenus les plus hauts
Transferts et impôts concernés	• Transferts sociaux (prestations liées au logement, à la famille ou aux enfants) • Revenu minimal garanti (RSA)	• Pensions • Assurance chômage	• Taux d'imposition des hauts revenus • Impôts sur la fortune
Quelles mesures sont possibles ?	Améliorer la productivité / le suivi des dépenses publiques		• Réduction de l'évasion fiscale • Imposition plus large et plus efficace du capital et échange automatique de renseignements • Coordination fiscale au niveau de l'UE au sujet des personnes à hauts revenus • Imposition améliorée des multinationales

Perception du système fiscal (données d’enquête)

- 71 % des personnes sondées estiment que l’un des objectifs est de financer les services publics
- 44 % sont d’avis que les impôts visent à redistribuer les revenus
- 39 % qu’ils sont censés inciter ou décourager certains comportements économiques et favoriser l’activité économique.

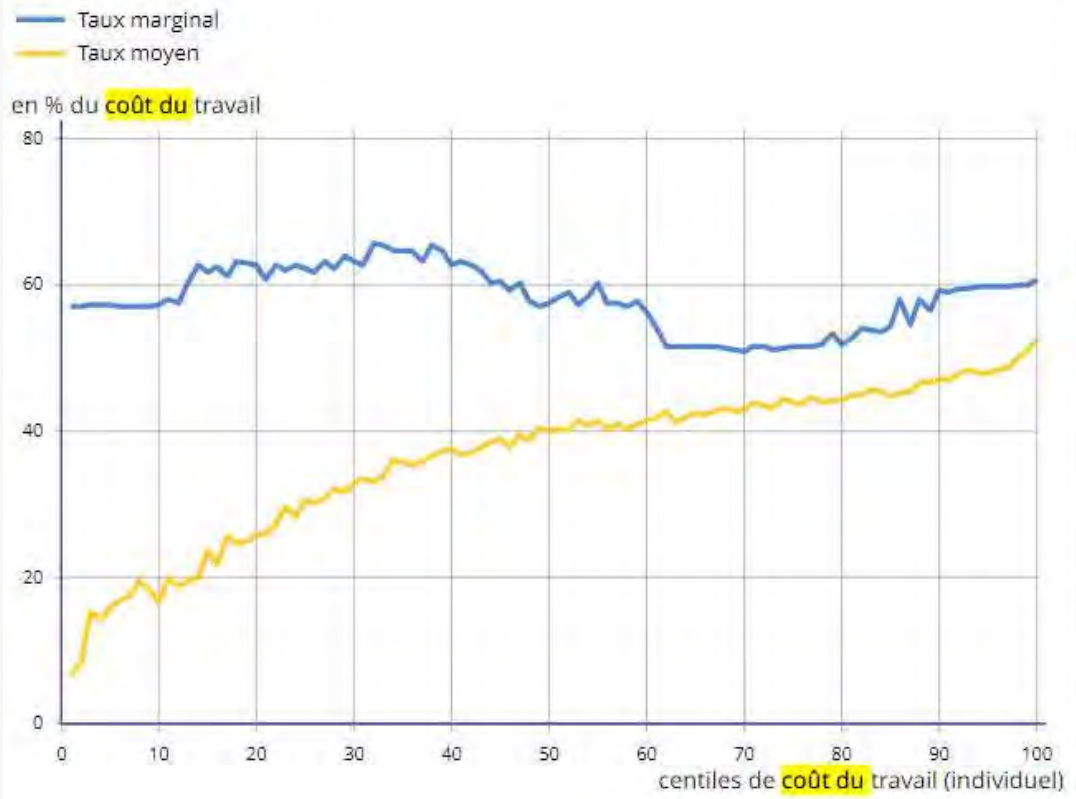
Perception de l'évasion fiscale

TABLE 17: L'ÉVASION FISCALE EST UN PROBLÈME CHEZ... :

	Personnes à hauts revenus (1)	Personnes avec un patrimoine important (2)	Grandes entreprises françaises (3)	Grandes entreprises étrangères ayant opérations en France (4)
Femme	-0.01	-0.00	-0.02	-0.04
	(0.03)	(0.03)	(0.03)	(0.03)
Age 30-49	0.06	0.09**	0.08**	0.11***
	(0.04)	(0.04)	(0.04)	(0.04)
Age 50-69	0.22***	0.24***	0.22***	0.27***
	(0.04)	(0.04)	(0.04)	(0.04)
Revenu moyen (20K€-60K€)	0.06**	0.04	0.07**	0.05*
	(0.03)	(0.03)	(0.03)	(0.03)
Revenu élevé (plus de 60K€)	0.00	0.02	0.00	-0.01
	(0.04)	(0.04)	(0.04)	(0.04)
Le Pen	-0.01	-0.02	-0.02	-0.02
	(0.04)	(0.04)	(0.04)	(0.04)
Fillon	-0.09**	-0.08	-0.10**	-0.01
	(0.05)	(0.05)	(0.05)	(0.05)
Melenchon et Hamon	0.05	0.01	0.04	0.04
	(0.04)	(0.04)	(0.04)	(0.04)
Enfants	0.03	0.02	-0.01	0.01
	(0.03)	(0.03)	(0.03)	(0.03)
Etudes supérieures	0.02	0.03	0.04	0.04
	(0.03)	(0.03)	(0.03)	(0.03)
Moyenne de l'échantillon	0.65	0.59	0.62	0.64
Observations	1489	1485	1487	1489

Taux d’imposition marginaux et moyens

Figure 1 - Taux marginaux et taux moyens effectifs de prélèvement médians en fonction du coût du travail



Champ : individus actifs occupés, appartenant à un ménage ordinaire de France métropolitaine, dont le revenu est positif et dont la personne de référence n’est pas étudiante.

Intergenerational Mobility and Preferences for Redistribution

Alberto Alesina, Stefanie Stantcheva, and Edoardo Teso

(Stereo)typically Documented Views

Americans:

- Econ system mostly “fair," American dream alive
- Wealth is reward for ability and effort
- Poverty due to inability to take advantage of opportunity
- Effort pays off

Continental Europeans:

- Econ system is basically unfair
- Wealth due to family history, connections, sticky social classes
- Poverty due to bad luck, society’s inability to help the needy
- Effort may payoff

- 70% of Americans versus 35% of Europeans believe you can climb social ladder if you work hard (WVS)
- Yet, intergenerational mobility not systematically higher in the US (Chetty *et al.* 2014)

This Paper: Research Questions

- Do people have realistic views about intergenerational mobility?
- What are their views on fairness, such as the role of effort vs. luck?
- Link between perceived intergenerational mobility and preferred redistribution policies?
  - **Equality of opportunities** policies (education, bequest taxes)
  - **Equality of outcome** policies (social insurance, progressive income taxation)?
- Correlation and Causality (experimental).
- Heterogeneity by socio-economic background, political views, own mobility experience?

Method: Surveys and Randomized Experiments

- Online surveys on representative samples in the US, UK, France, Italy, and Sweden. Stats
- Research agenda ahead.
- Can collect more data to reduce noise, further treatments to test channels. Suggestions very welcome!
- Survey structure: Background/ Fairness / Randomized: Info on Mobility / Perceptions of Mobility / Policies / Randomized: Views on government
- Sample collected (mainly) September/October 2016
  $N \approx 2{,}000$ for IT, UK, FR, $N \approx 4000$ for U.S., $N \approx 1{,}500$ for SE.

Main Findings

- Americans are more optimistic than Europeans, but:
  - Americans too optimistic, especially about "American dream."
  - Europeans too pessimistic, especially about staying stuck in poverty.
- People believe effort matters, but not for making it to the very top.
- Pessimism on mobility $\leftrightarrow$ support for redistribution (especially "equality of opportunity policies.")
- Experiment: more pessimistic $\rightarrow$ increases support for redistribution... but only among left-wing respondents.
- Strong polarization between left and right wing on government, redistribution: same information, very different effects.

Outline of this Talk

1. Data on Actual Intergenerational Mobility
2. Survey and Methodology
3. Mobility Perceptions and Misperceptions
4. Role of Effort
5. Geography of Perceptions in the U.S.
6. Perceptions of Mobility and Policy Preferences
7. Randomized Information Experiment

Related Literature

Theory: Galor and Zeira (1993), Piketty (1995), Alesina and Angeletos (1995), Owen & Weil (1998), Benabou & Ok (2001), Benabou (2002), Benabou & Tirole (2006), Galor (2011), Saez & Stantcheva (2016).

Empirical Evidence on belief differences and redistribution: Alesina & Glaeser (2004), Alesina & La Ferrara (2005).

Empirical Studies of Social Mobility: Gottschalk and Spolaore (2002), Solon (2002), Jantti *et al.* (2006), Goldin and Katz (2009), Blanden (2011), Fryer and Katz (2013), Corak (2013), Chetty, Hendren, Kline, and Saez (2014), Akcigit, Grigsby, and Nicholas (2016), Aghion, Akcigit, Hyytinen, and Toivanen (2016).

Experimental manipulation of beliefs: Kuziemko, Norton, Saez, and Stantcheva (2015), Perez-Truglia and Cruces (2016), Karadja, Mollerstrom and Seim (2016), Cruces *et al.* (2013), Newman *et al.* (2014), George (2016).

Policies for Mobility: Chetty, Hendren, & Katz (2016), Abramitzky (2011, 2017), Hoxby and Turner (2013, 2015),

Polarization: Gentzkow, Shapiro and Taddy (2017), Gentzkow, Boxell, and Shapiro (2017).

Data on Actual Intergenerational Mobility

Sources of Data on Intergenerational Mobility

- US: Administrative tax-return data (Chetty *et al.*, 2014) Detail
- UK: sample of 2806 parents-children, from the British Cohort Study
- France: sample of 4,581 parents and 1,444 children, from survey "Formation et Qualification professionnelle", INSEE
- Italy: Administrative tax-return data (Acciari *et al.* 2016)
- Sweden: 20% random sample from Statistics Sweden's administrative registers (Jantti *et al.*, 2006)
- Currently (we think), best data available. Future research may compare our respondents' answers to better data). Levels interesting per se.

Survey and Methodology

Survey Structure

- **Background** socio-economic questions, own social mobility experience, political experience.

- **Fairness**: Fair system, reasons poor, reasons rich. Detail
- **Randomized "information"** experiment to shift views on extent of social mobility. Randomization

- **Perceptions of intergenerational mobility** in own country.

- **Policies:** Overall intervention, overall support for equality of opportunity, income taxes, estate tax, budget.

- **Government:** views on role and capacities of government (order randomized, pre or post info treatment).

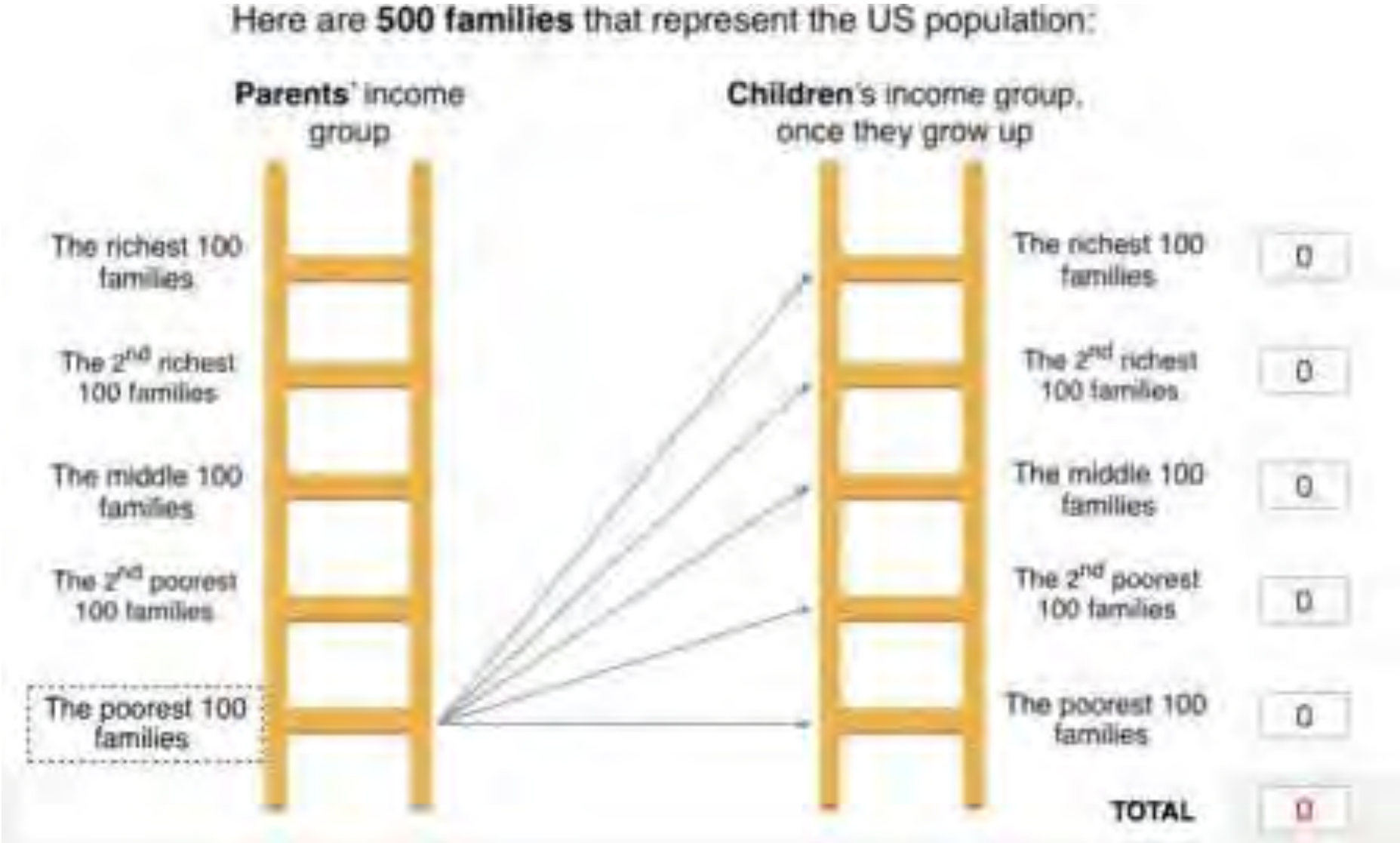
Eliciting Beliefs on Upward Mobility

For the following questions, we focus on 500 families that represent the U.S. population. We divide them into five groups on the basis of their income, with each group containing 100 families. These groups are: the poorest 100 families, the second poorest 100 families, the middle 100 families, the second richest 100 families, and the richest 100 families.

In the following questions, we will ask you to evaluate the chances that children born in one of the poorest 100 families, once they grow up, will belong to any of these income groups.

Please fill out the entries to the right of the figure below to tell us, in your opinion, how many out of 100 children coming from the poorest 100 families will grow up to be in each income group.

Eliciting respondent's beliefs on upward mobility



Eliciting Beliefs on Upward Mobility (II)

Qualitative questions for robustness:

> *Do you think the chances that a child from the poorest 100 families will grow up to be among the richest 100 families are: [Close to zero, Low, Fairly Low, Fairly High, High*].

"American dream question:"

> *How do you feel about the following statement? "In [country] everybody has a chance to make it and be economically successful."*

Ask about mobility conditional on "effort" and "talent."

> *Consider 100 children coming from the poorest 100 families. These children are very determined and put in hard work both at school and, later in life, when finding a job and doing that job.*
>
> *Consider 100 children coming from the poorest 100 families. These children are very talented.*

Robustness: provided absolute cutoffs for quintiles: no change.

Questions on Policies

Logic: Split desired policies into components

i) overall government involvement and intervention,

ii) how to share a given tax burden,

iii) how to allocate a given budget.

Income taxes on top 1%, next 9%, next 40%, bottom 50%. Detail

Budget allocation on 1) Defense/ Security, 2) Infrastructure, 3) Education, 4) SS, Medicare, DI, and SSI, 5) Social Insurance and Income Support Programs, 6) Health. Detail

Estate tax: Rate Detail

Support for equality of opportunity policies: subject to other priorities being reduced (qualitative, robust, no free lunch). Detail

Questions on Role and Capacities of Government

Randomized block (outcomes/ pre-existing characteristics):

Trust in government

Tools of the government

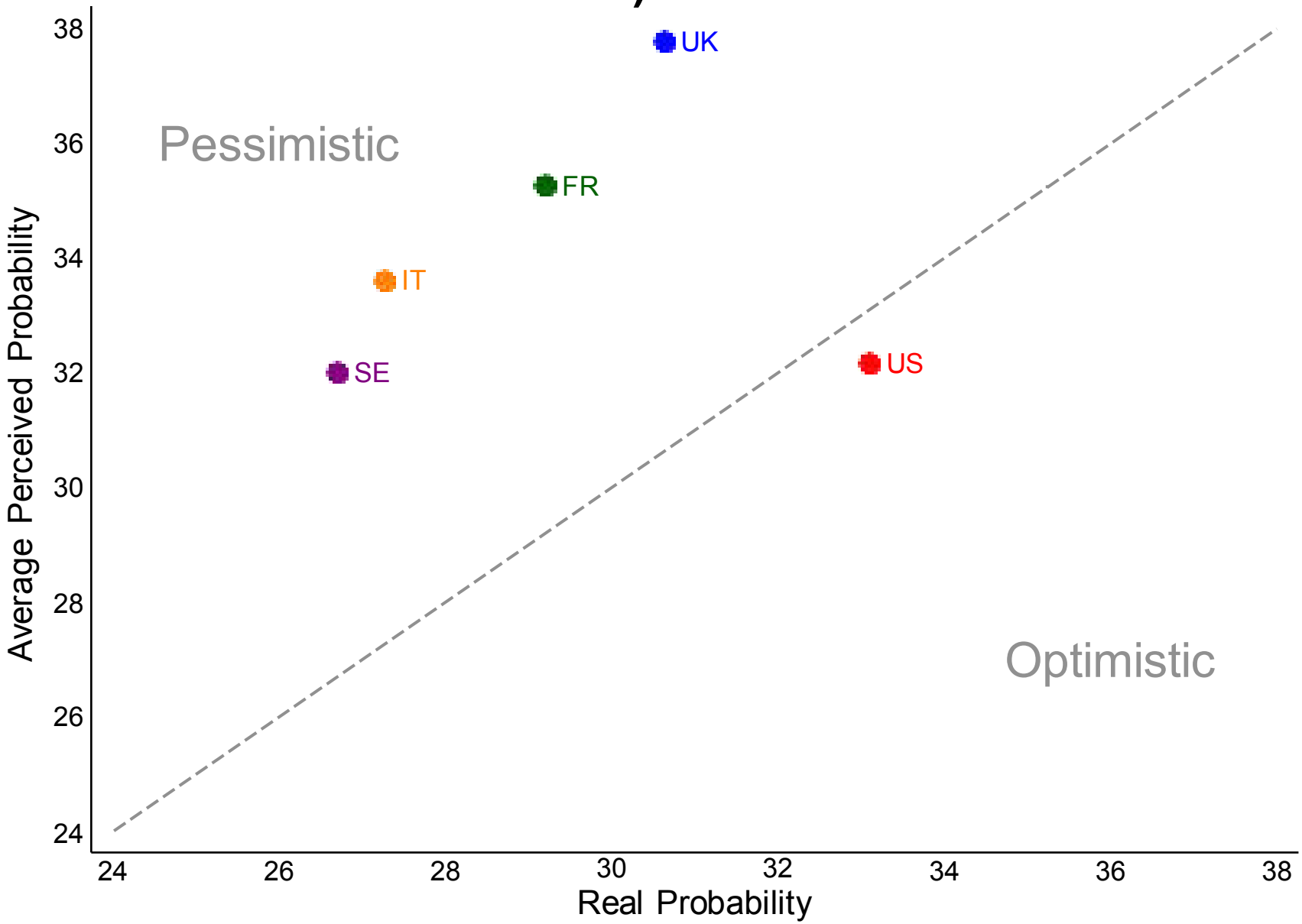
Are unequal opportunities a problem?

Scope of government: to reduce unequal opportunities for children from rich and poor backgrounds, from 1 to 7.

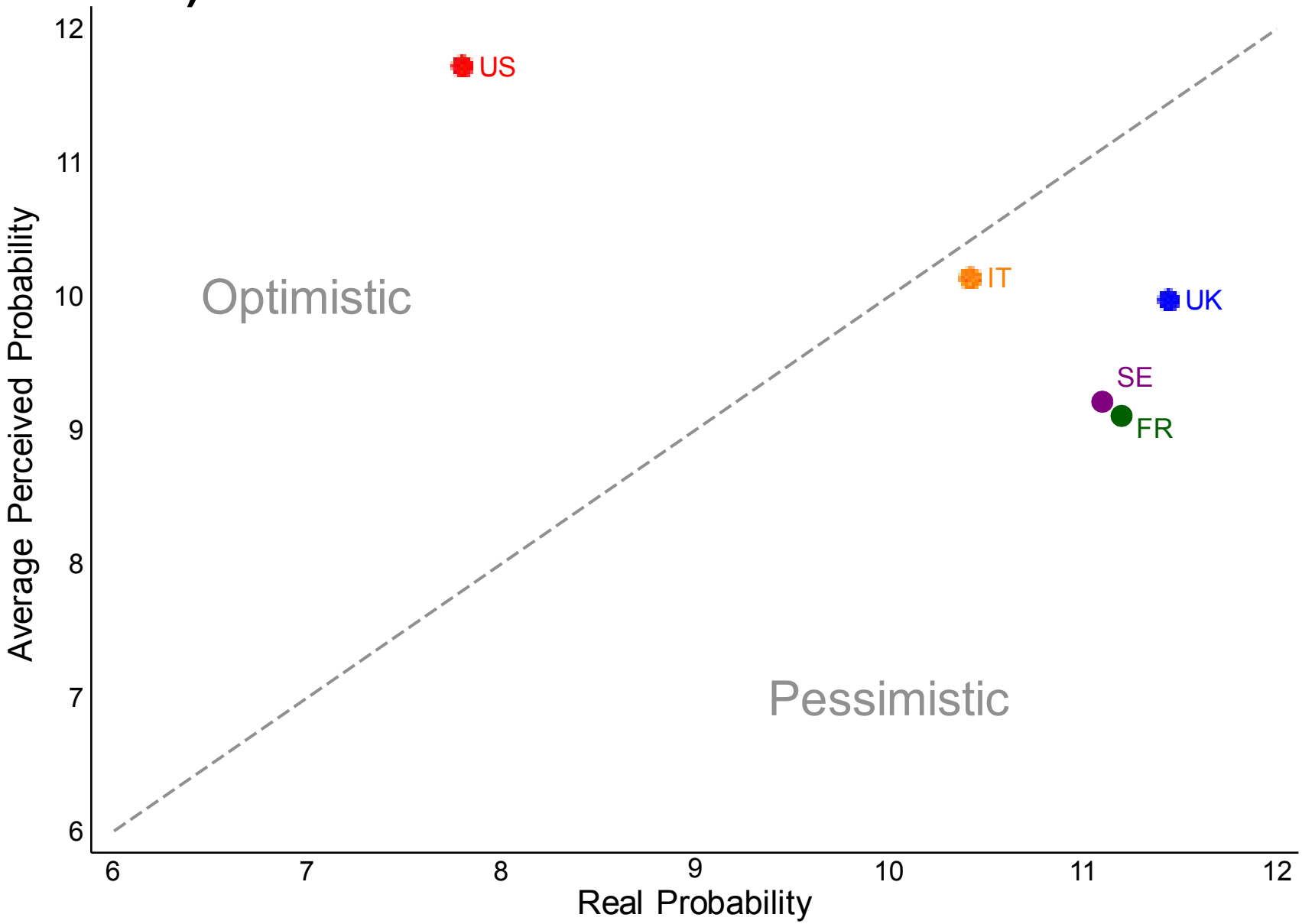
Is lowering or raising taxes better for reducing unequal opportunities? Detail

Mobility Perceptions and Misperceptions

Probability of Staying in Bottom Quintile (Actual vs. Perceived)

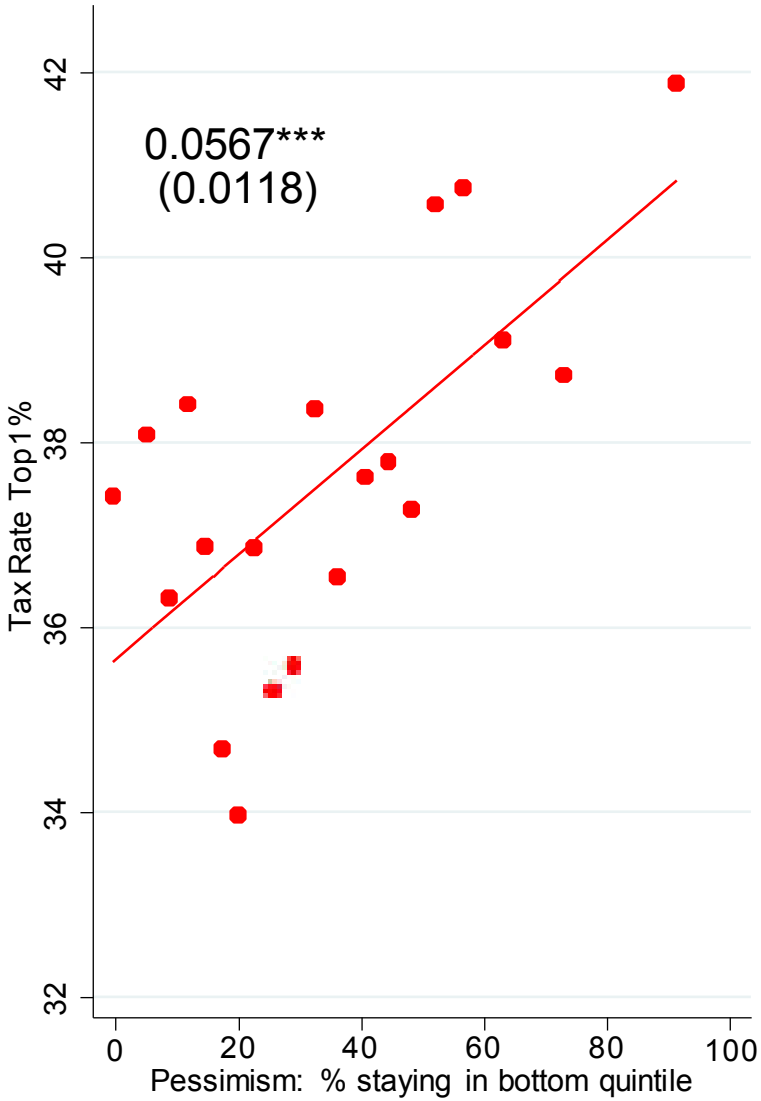


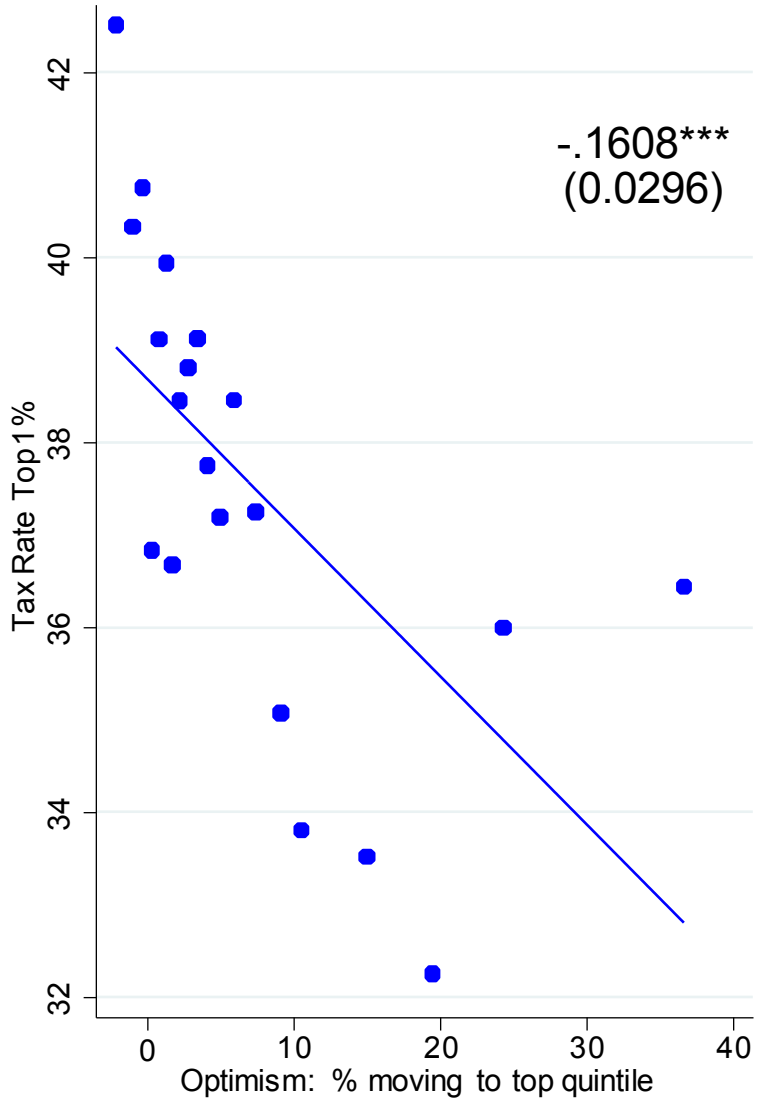
Probability of Moving to Top Quintile (Actual vs. Perceived)



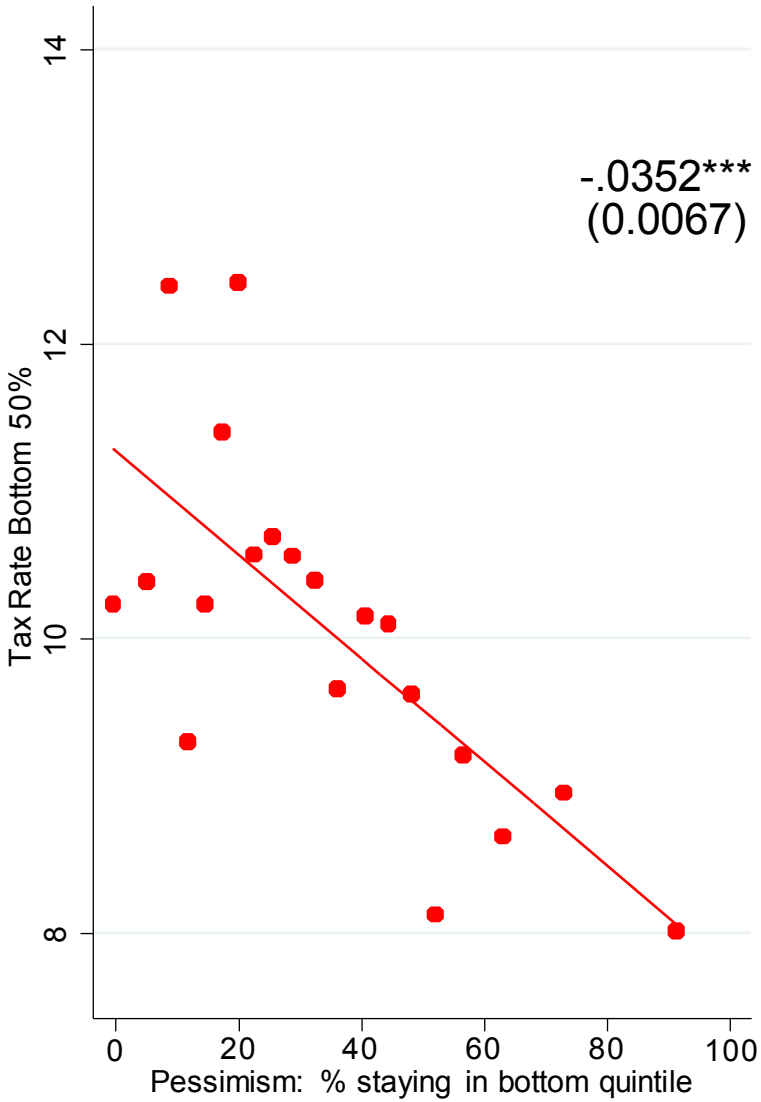
Perceptions of Mobility and Policy Preferences

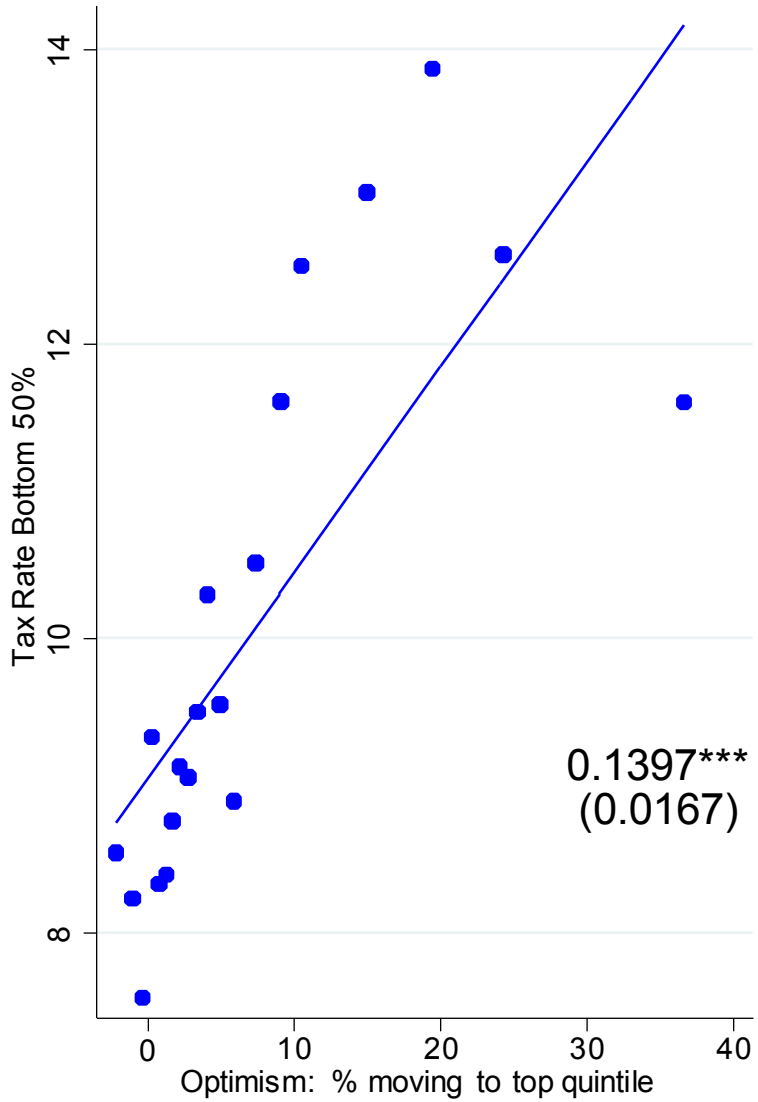
Pessimism, Optimism, and Top Tax Rate



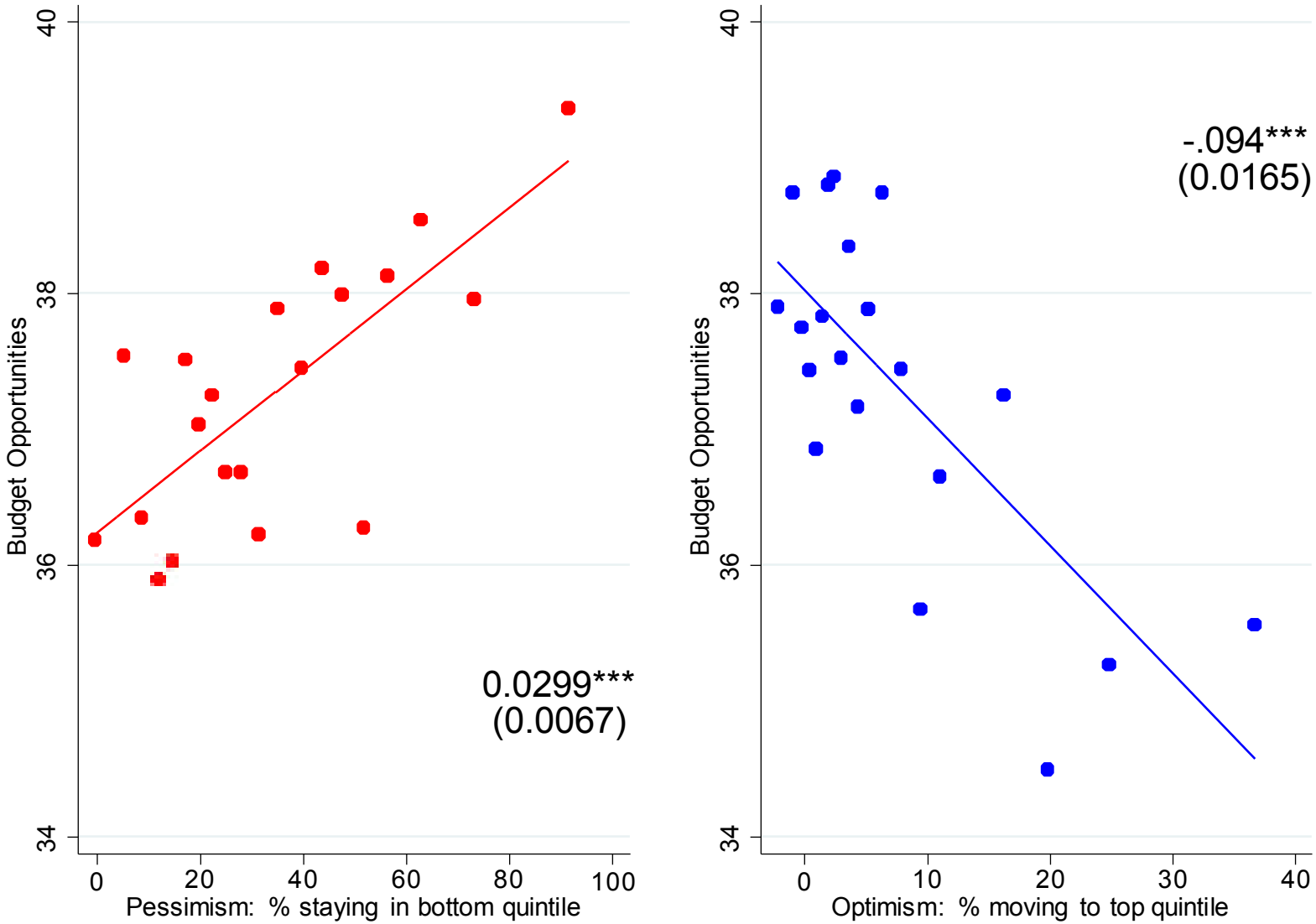


Pessimism, Optimism, and Bottom Tax Rate

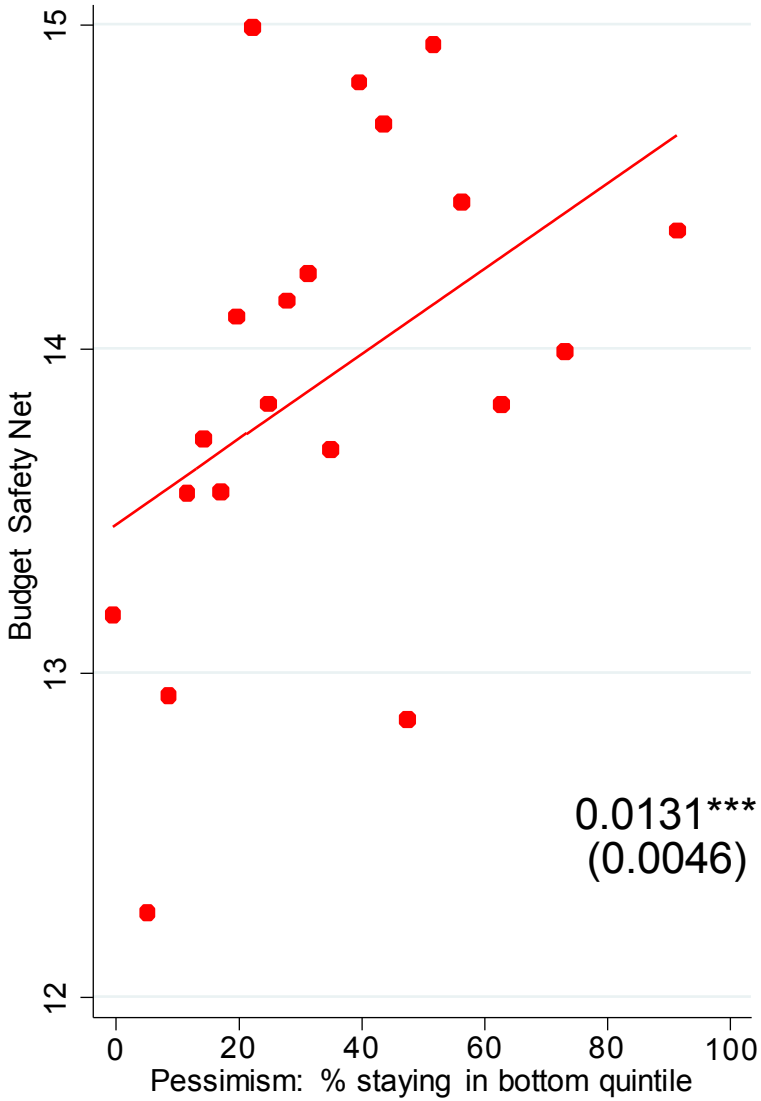


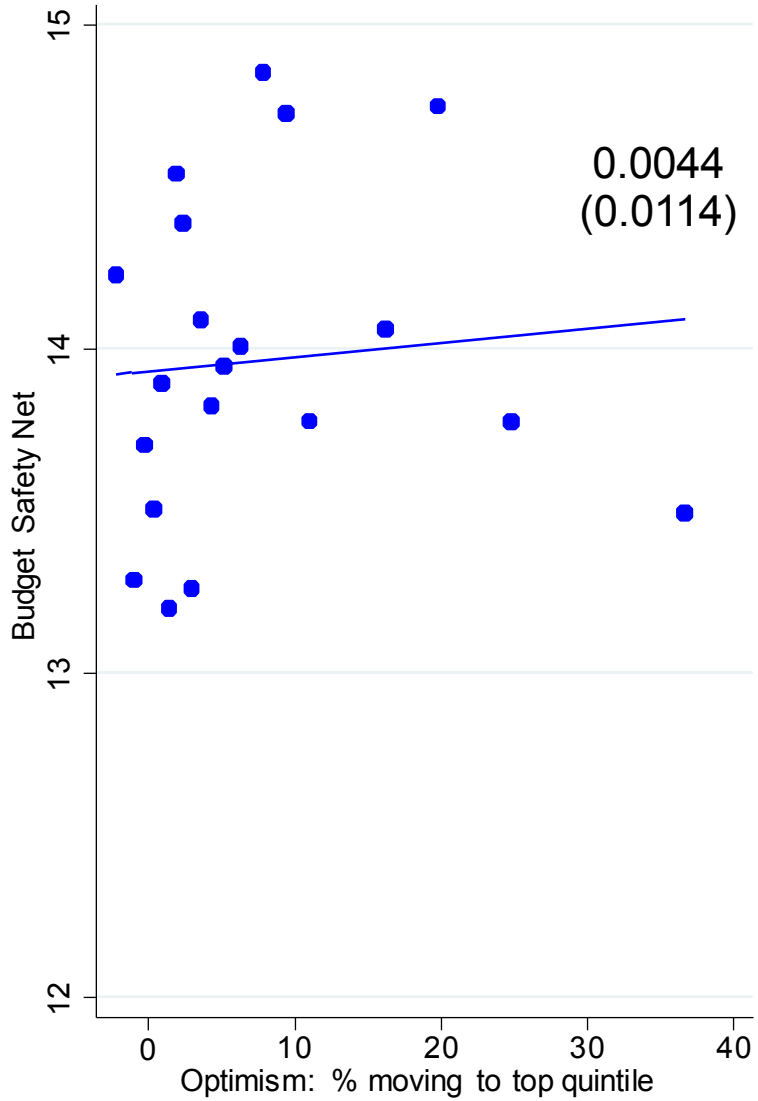


Strong Correlation with Equality of Opportunity Policies: Education and Health



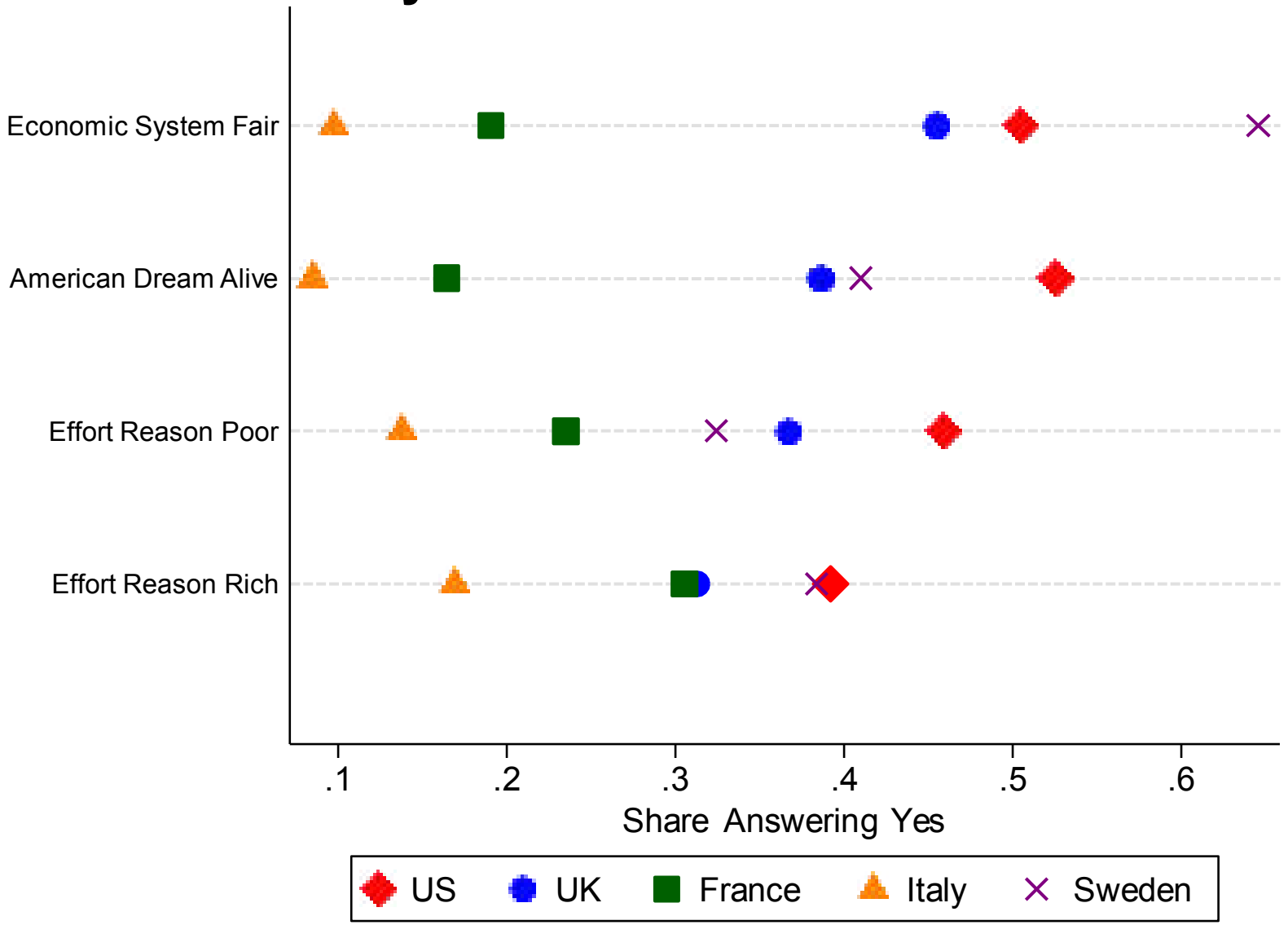
Weaker Correlation with Safety Net Policies





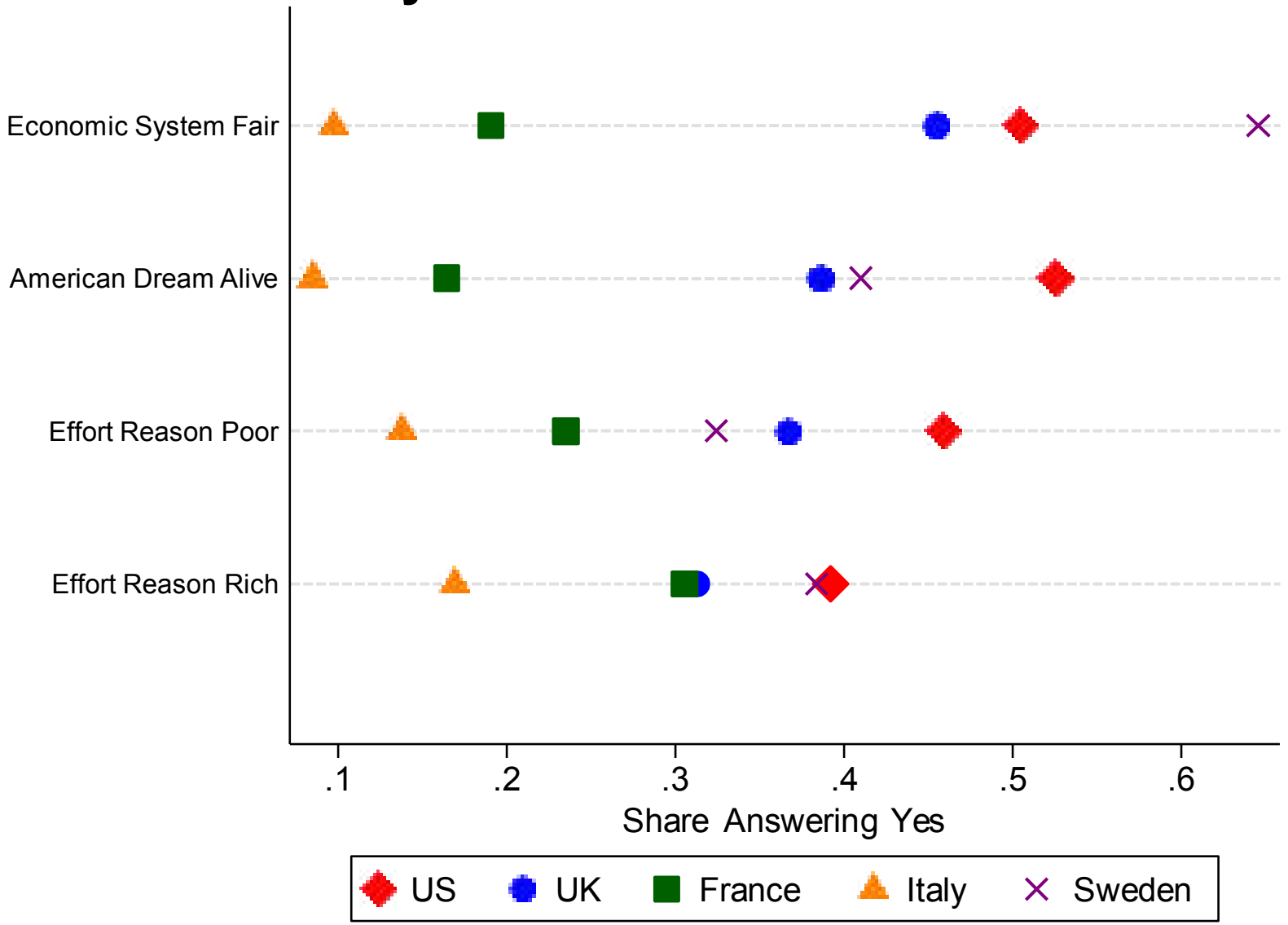
Perceptions of Fairness and Government

Fairness Perceptions by Country



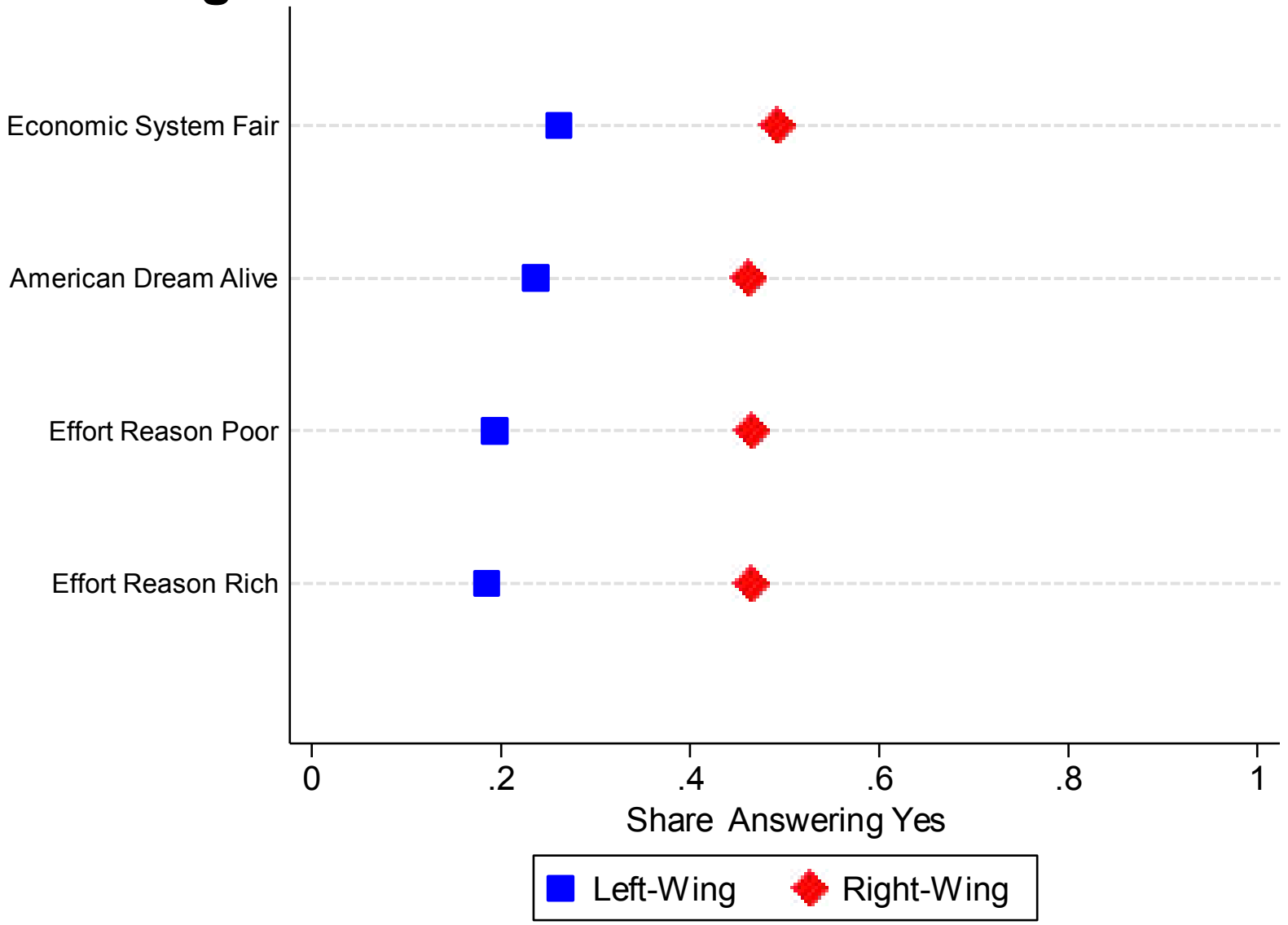
Widespread discontent. U.S. and SE more optimistic (market vs. welfare state?). IT and FR terribly pessimistic.

Fairness Perceptions by Country



U.S. respondents believe more in effort, large variation across countries.

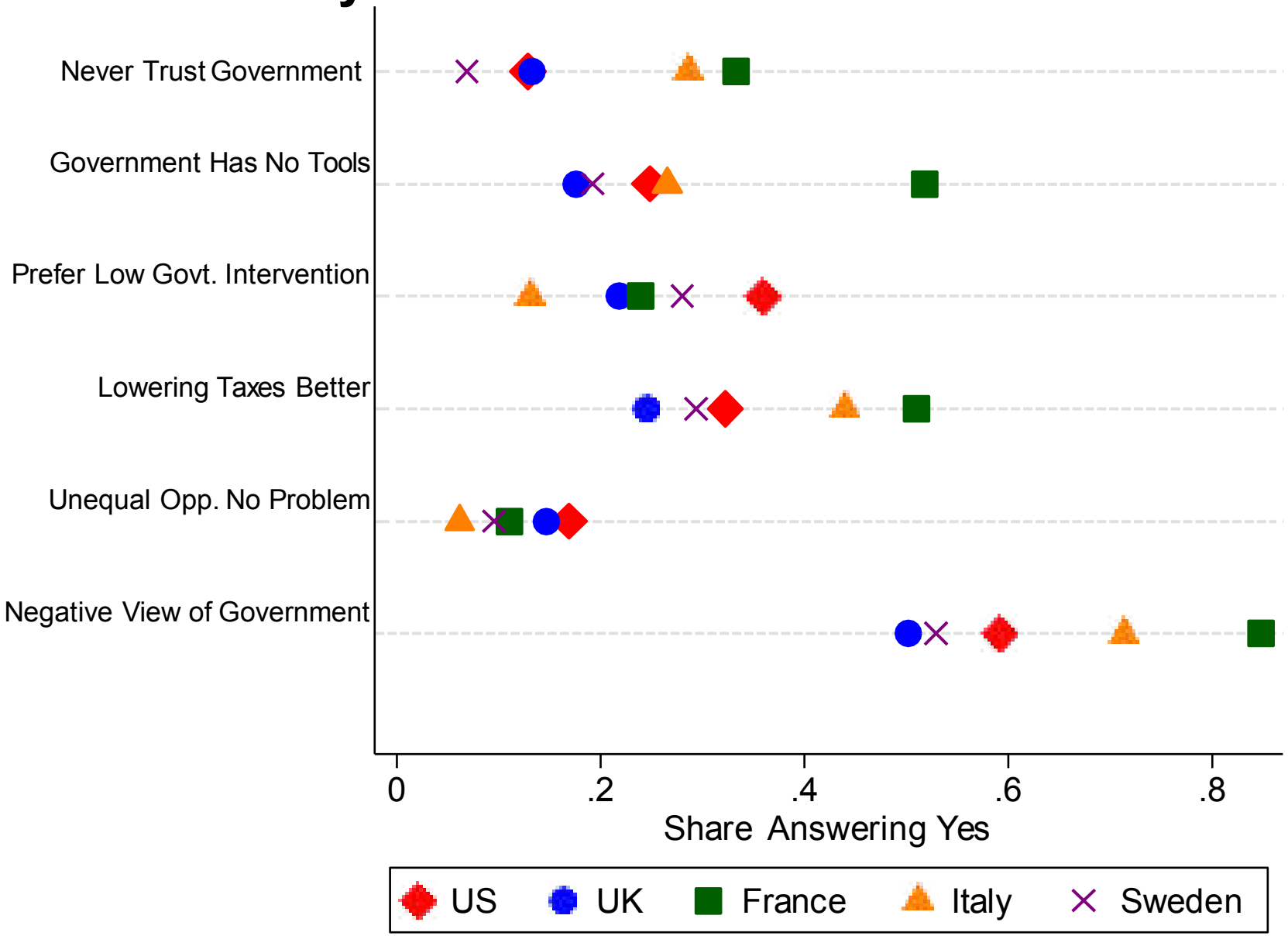
Fairness Perceptions: Left versus Right



Left-wing more pessimistic than right-wing.

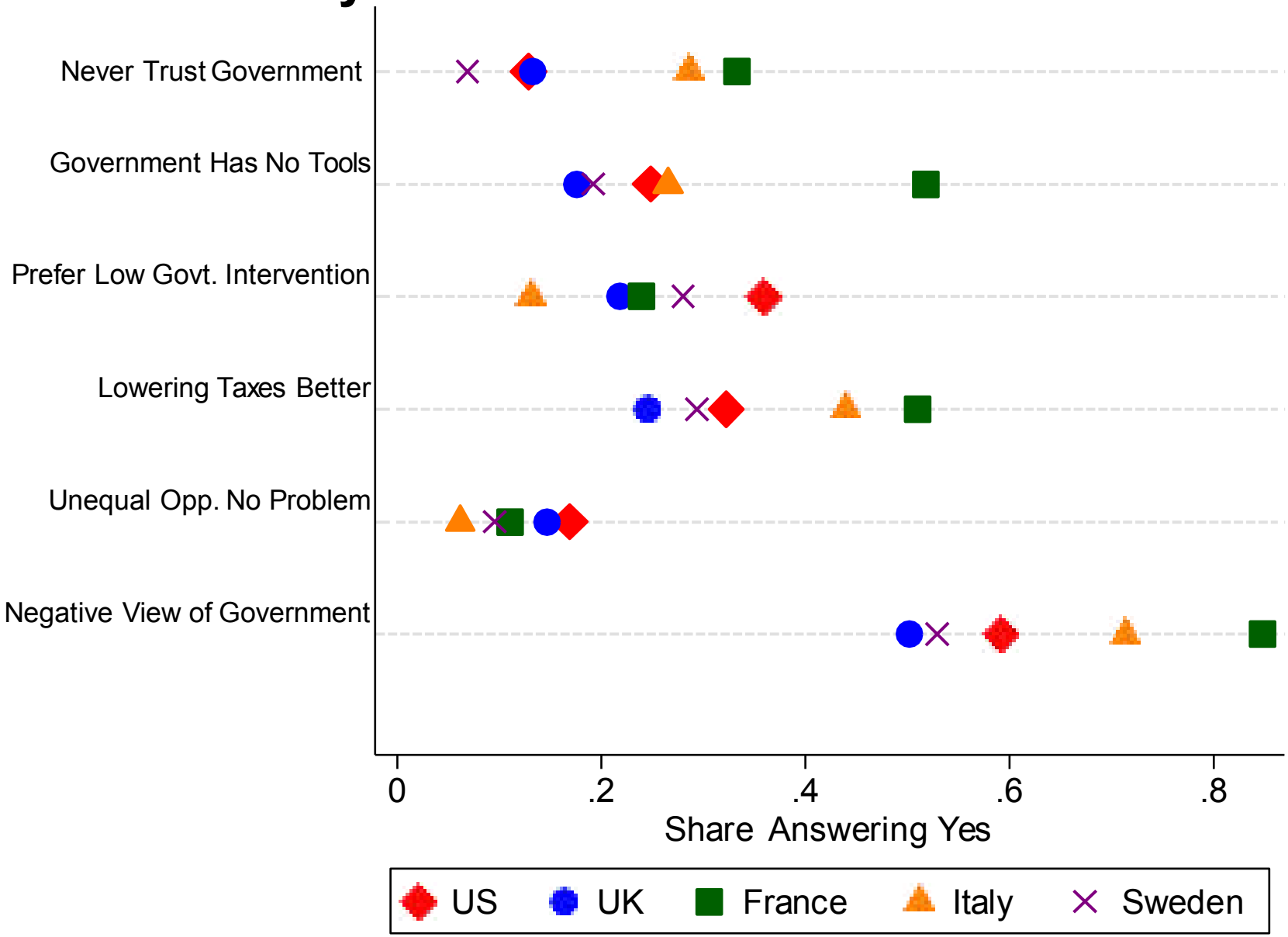
Right-wing respondents believe much more in role of individual effort.

Bad Views of Government by Country



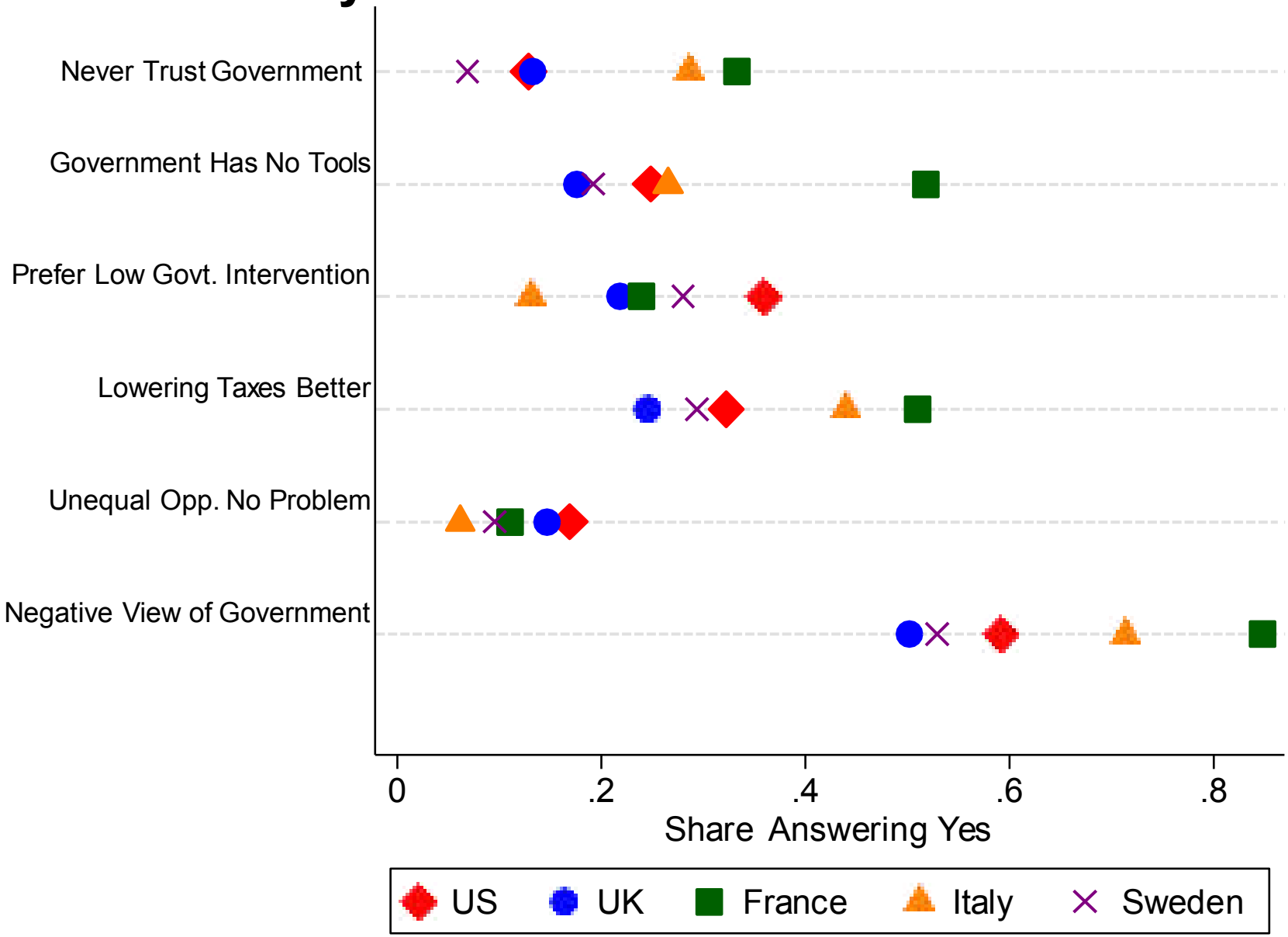
Distrust in government extremely high (FR and IT).

Bad Views of Government by Country



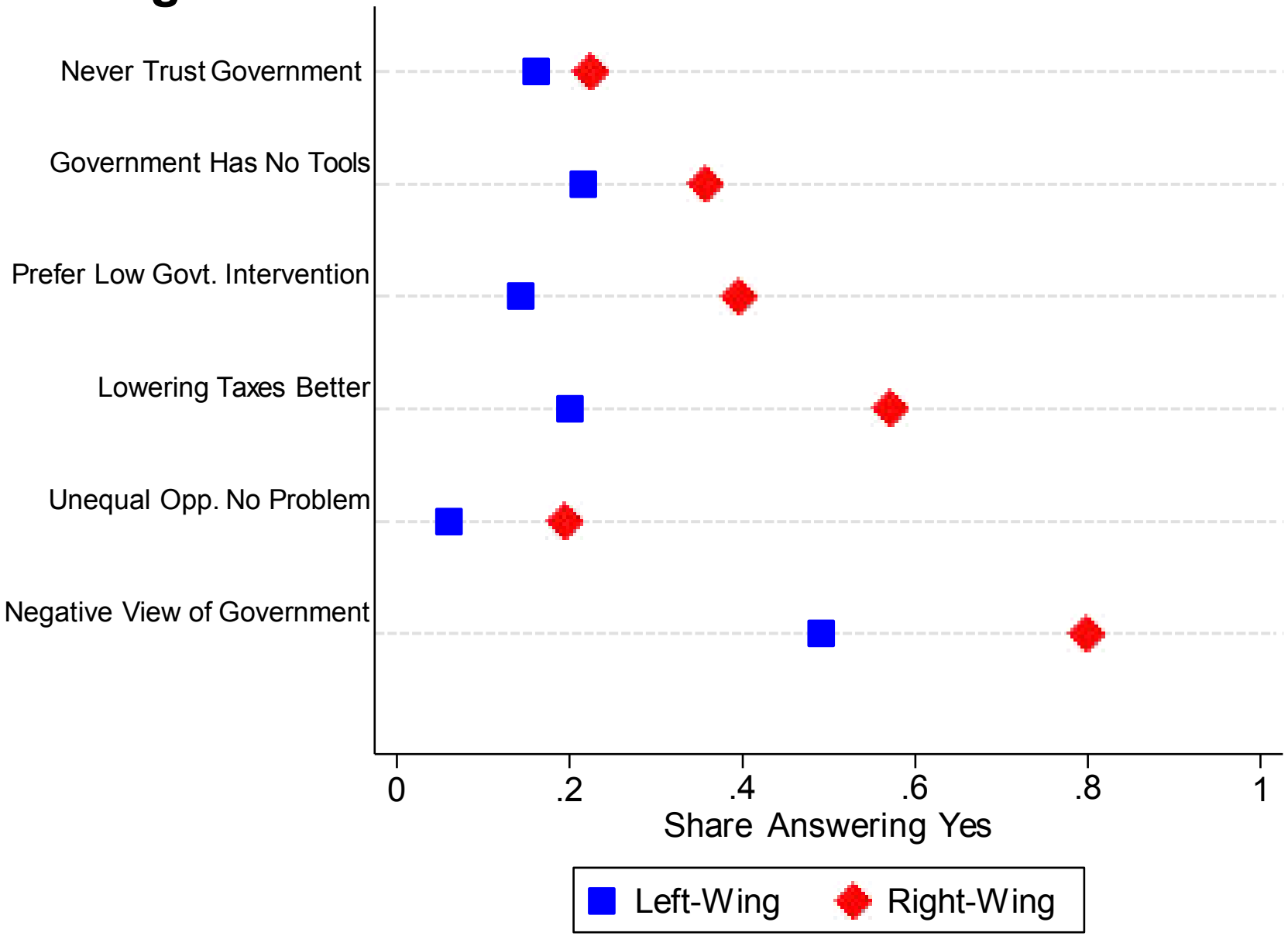
But views are multidimensional: many think the government has some tools,

Bad Views of Government by Country



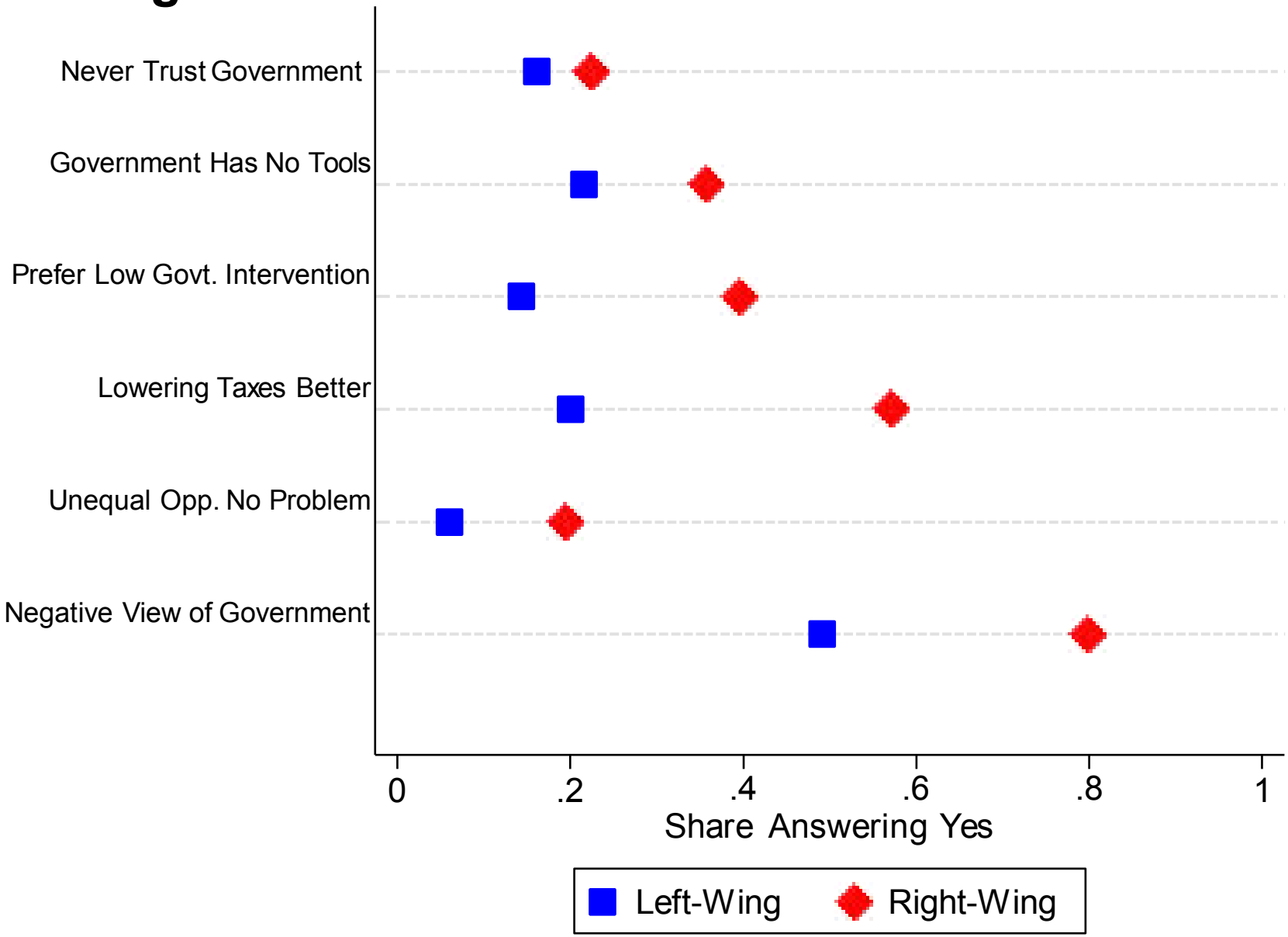
Everyone agrees lack of opportunities are a problem.

Bad Views of Government by Left and Right



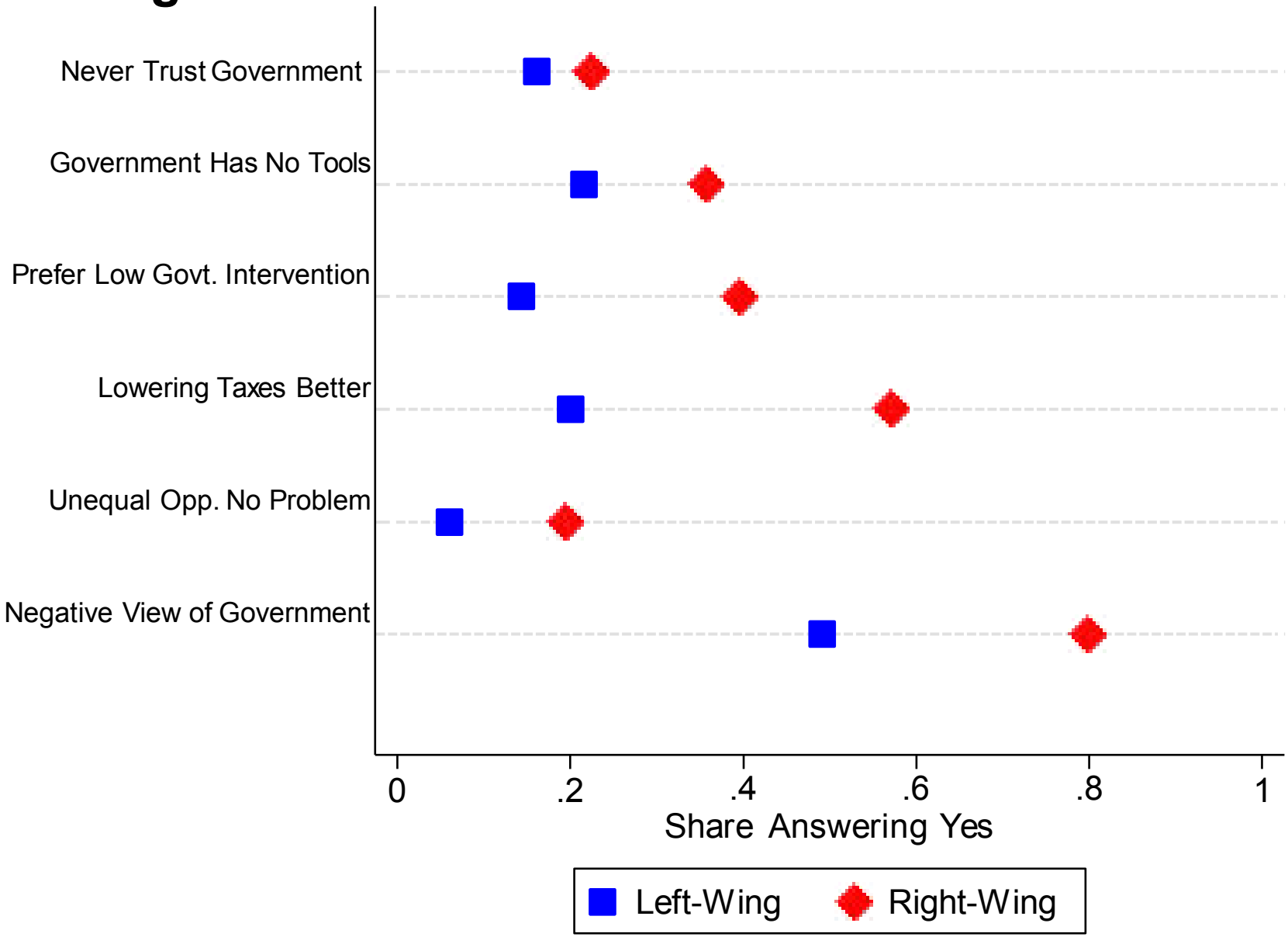
Important to take into account multidimensional perceptions.

Bad Views of Government by Left and Right



Left and Right distrust government, agree unequal opportunities are a problem,

Bad Views of Government by Left and Right



A composite measure of “against government” shows big contrast.

Conclusion

- Inaccurate perceptions can be tested and improved thanks to better data.
- But: Polarization along political spectrum means that same information (exogenous, causal) has very different impacts.
  - This is not just about people having different information sets to start with (which they have).
- Geographical patterns intriguing: where do people get their information from?
- Link between racial and immigration perceptions in U.S. and Europe and support for redistribution (on-going work!).

Immigration and Redistribution

Alberto Alesina, Armando Miano, and Stefanie Stantcheva

Well, I live in Atlanta, but I guess you are asking where I am from


YOU'RE FIRED.


WELCOME!


STOP
INVASIONE


55% DES FRANÇAIS OPPOSÉS
À L'ACCUEIL DES MIGRANTS
FRANCE
TOUCHE PAS À MA PORTE

We Study Two Broad Questions

How do people (mis)perceive immigration?

Are perceptions of immigration, about the number, origin, religion, unemployment, education, poverty, correct amongst natives of the host countries?

What are natives' views on immigration policies?

Heterogeneity by political affiliation, work in high immigrant sector, income, education level...

What is the link between immigration and redistribution?

Are perceptions of immigration and views about redistribution correlated? And do perceptions of immigrants "cause" preferences for redistribution?

Method and Setting

Large-scale surveys in 6 countries: France, Germany, Italy, Sweden, UK, and US, total of ≈ 22,500 respondents.

Done through commercial survey companies in Nov 2017-Feb 2018.

Sample sizes: 4,500 in US, 4,000 in FR, DE, IT, and UK, 2,000 in SE. Additional survey in US in Feb 2019 – 1,650 respondents.

Survey components:

Background info, perception of immigrants (number, origin, religion, hard work, economic conditions, support), policy preferences (redistribution + immigration).

Randomized treatments:

Priming: "Order" treatment asks about immigration before redistributive policies.

Information (Facts) on 1) number, 2) origins of immigrants.

Anecdote on "hard-working" immigrant.

Main Findings: Perceptions of Immigration Substantially and Systematically Wrong

Across countries and respondent characteristics:

- Stark overestimation of the number of immigrants
- Stark overestimation of share of Muslim (underestimate Christians)
- Underestimation of immigrants education, employment, contribution to welfare state
- People wrong about natives as well, but more so about immigrants.

Larger misperceptions for respondents who are: i) in immigrant intensive, low-skill jobs, ii) without college, iii) female, and iv) right-wing.

Perceived composition (not the number) of immigrants that differentiate natives' responses

- Left and right-wing equally misperceive % of immigrants, but right-wing believe immigrants have "less desirable" in their views characteristics.

Main Findings: Effects of Information, Anecdotes and Priming

Just making people think about immigrants ("order treatment") generates a strongly negative reaction in terms of redistribution.

Factual information on share and origins has no effect.

Anecdotes somewhat more effective at improving support for immigration, but still unable to overturn negative priming effect on support for redistribution.

Salience and narratives shape people's views more deeply than hard facts.

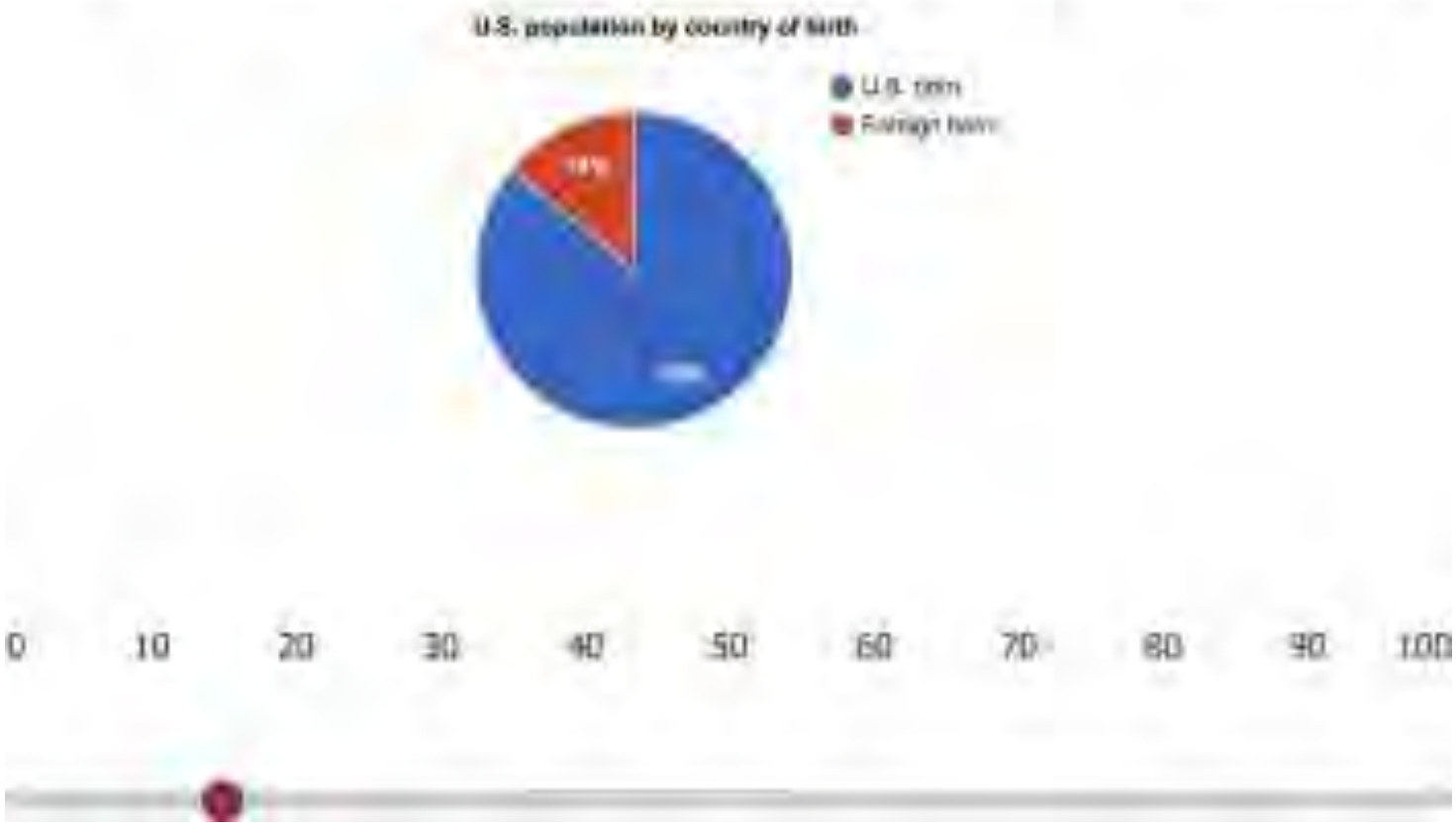
Data Collection: Surveys and Experiments

Survey Structure

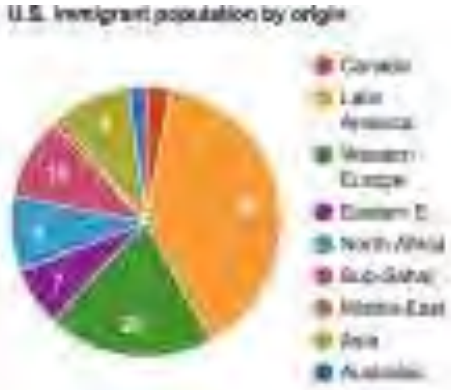
- **Background** socio-economic questions, job sector, immigrant parents, political preferences.
- **Treatments** about immigration. [Randomized]
  - T1: **Info** on number, T2: **Info** on origin, T3: **Anecdote** on hard work.
- **Immigration Block:** [Randomized]
  - **Perceptions of Immigrants**. Number, origin, effort, "Free Riding", economic conditions (education, poverty, unemployment, transfers).
  - **Immigration Policies:** Citizenship, when to receive benefits, whether govt should care equally, when are immigrants "truly" American.
- **Redistribution Block:** [Randomized]
  - **Redistributive Policies:** Income taxes, budget allocation + Donation question.
  - **Role of Government:** Is inequality a problem, tools to reduce inequality, scope for government to intervene in redistribution.

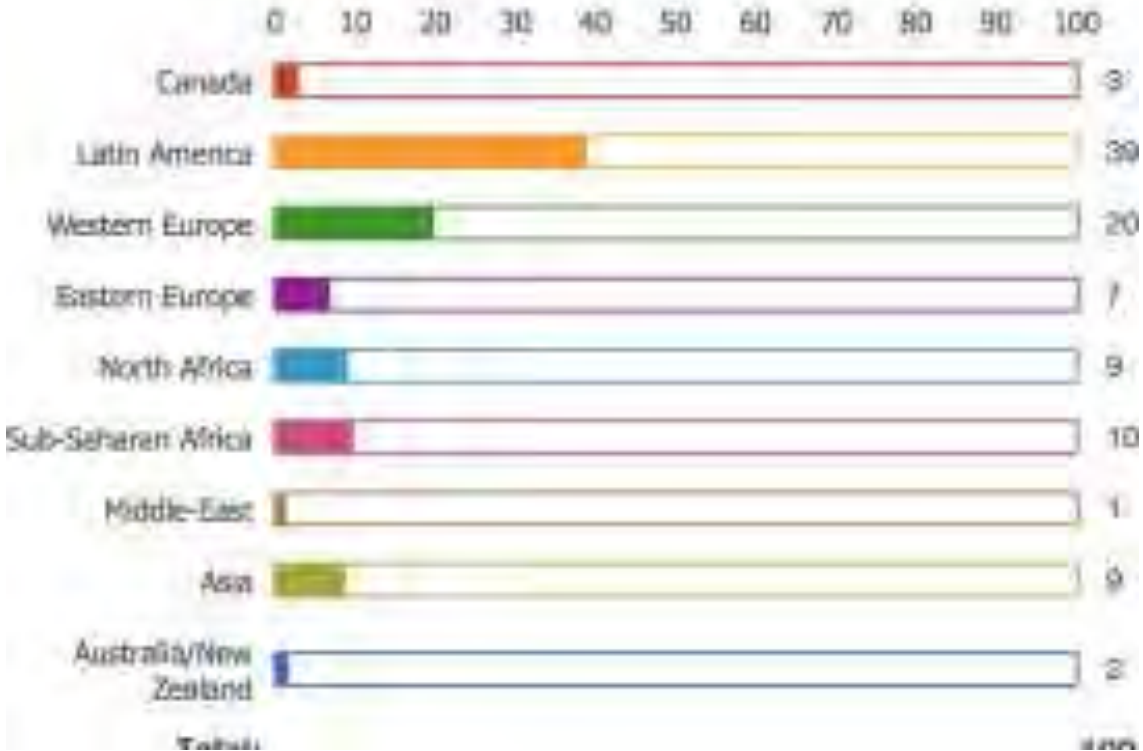
Eliciting Perceptions on Number of Immigrants

The pie chart below represents all the people currently living in the U.S. Out of all these people currently living in the U.S., how many do you think are legal immigrants? Move the slider to indicate how many out of every 100 people you think are legal immigrants.



Eliciting perceptions on Origin of Immigrants





Eliciting Perceptions on Effort of Immigrants

Which has more to do with why an immigrant living in the U.S. is poor? [Lack of effort on his or her own part; Circumstances beyond his or her control]

Which has more to do with why an immigrant living in the U.S. is rich? [Because she or he worked harder than others; Because she or he had more advantages than others]

Economic Conditions of immigrants

Out of every 100 people born in the U.S. how many are currently unemployed? By "unemployed" we mean people who are currently not working but searching for a job (and maybe unable to find one).

Now let's compare this to the number of unemployed among legal immigrants. Out of every 100 legal immigrants how many do you think are currently unemployed?

Out of every 100 people born in the U.S., how many live below the poverty line? The poverty line is the estimated minimum level of income needed to secure the necessities of life.

Let's compare this to poverty among legal immigrants. Out of every 100 legal immigrants in the U.S. today, how many do you think live below the poverty line?

U.S. born residents receive government transfers in the form of public assistance, Medicaid, child credits, unemployment benefits, free school lunches, food stamps or housing subsidies when needed. How much do you think each legal immigrant receives on average from such government transfers? An average immigrant receives [No transfers/ /More than ten times as much as a US born resident]

Are people "Biased" Against Immigrants?

Imagine two people, John and Mohammad, currently living in the U.S. with their families. John is born in the U.S., while Mohammad legally moved to the U.S. five years ago. They are both 35, have three children, and earn the same low income from their jobs.

In your opinion does Mohammad pay more, the same, or less in income taxes than John? [A lot more; more; the same; less; a lot less]

In your opinion does Mohammad, who is an immigrant, receive more, the same, or less government transfers (such as public assistance, Medicaid, child credits, unemployment benefits during unemployment spells, free school lunches, food stamps or housing subsidies) than John? [A lot more; more; the same; less; a lot less]

Questions on Policies

Logic: Split desired policies into components

i) how to share a given tax burden

ii) how to allocate a given budget

Income taxes on top 1%, next 9%, next 40%, bottom 50%. Detail

Budget allocation on 1) Defense/ Security, 2) Infrastructure, 3) Education, 4) SS, Medicare, DI, and SSI, 5) Social Insurance and Income Support Programs, 6) Health, 7) Affordable housing. Detail

Views of government and fairness "Are income differences between rich and poor people a problem?" Detail

Donation Question

*By taking this survey, you are automatically enrolled in a **lottery to win $1000**. In a few days you will know whether you won the $1000. The payment will be made to you in the same way as your regular survey pay, so no further action is required on your part. In case you won, would you be willing to **donate part or all of your $1000 gain for a good cause**? Below you will find 2 charities which help people in the U.S. deal with the hurdles of everyday life. You can enter how many dollars out of your $1000 gain you would like to donate to each of them. If you are one of the lottery winners, you will be paid, in addition to your regular survey pay, $1000 minus the amount you donated to charity. We will directly pay your desired donation amount to the charity or charities of your choosing.*

Charities:

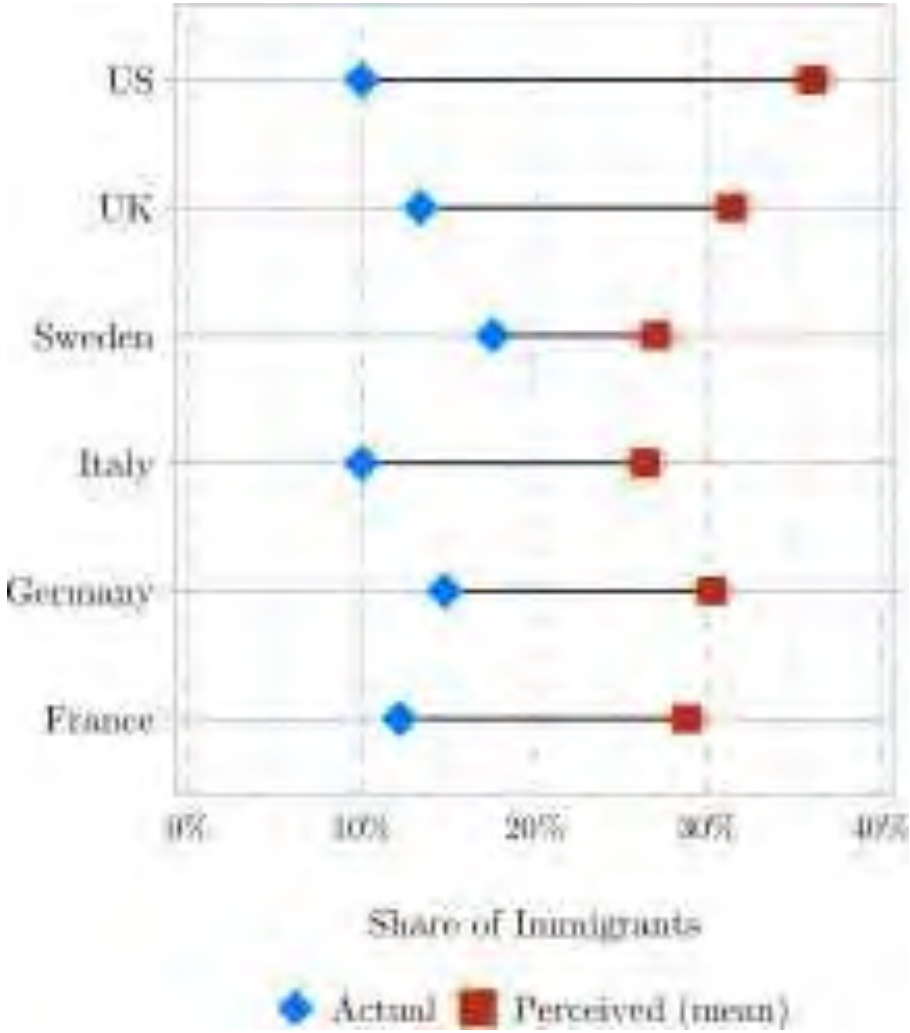
- US: Feeding America, The Salvation Army
- France: Les restos du cœur, Emmaüs
- Germany: SOS Kinderdorf, Tafel
- Italy: Caritas, Save the Children Italia
- Sweden: Frälsningsarmén, Majblomman
- UK: Save the Children U.K., The Salvation Army

Data Sources

- Number of immigrants and origin: Pew Research Center (US); UN, Trends in International Migrant Stock (UK, Italy, France, Germany); OECD, International Migration Database (Sweden)
- Religion: Pew Research Center
- Unemployment: Pew Research Center (US); OECD, International Migration Outlook (UK, Italy, France, Germany, Sweden)
- Poverty and Education: Current Population Survey, Pew Research Center and Center for Migration Studies (US); Eurostat (UK, Italy, France, Germany and Sweden)

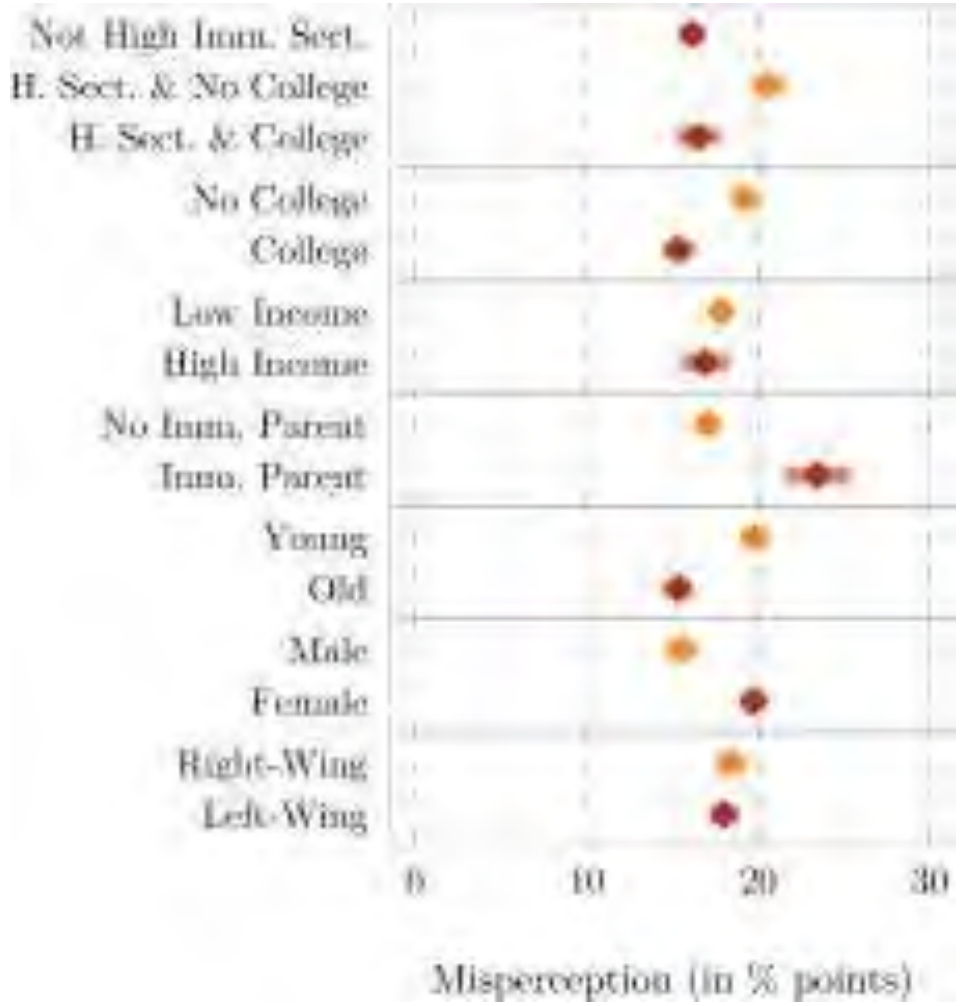
Perception of Immigrants

Perceived vs. Actual Number of Immigrants (By Country)



Including Second Generation Imm

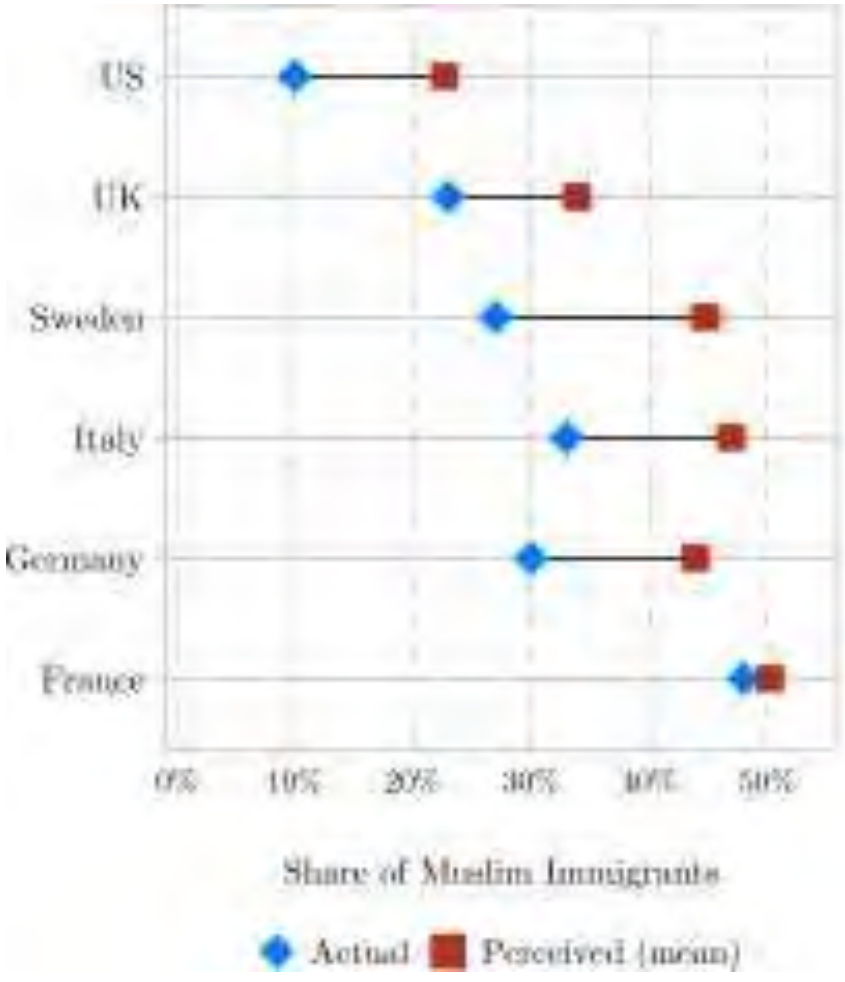
Misperception of Number of Immigrants

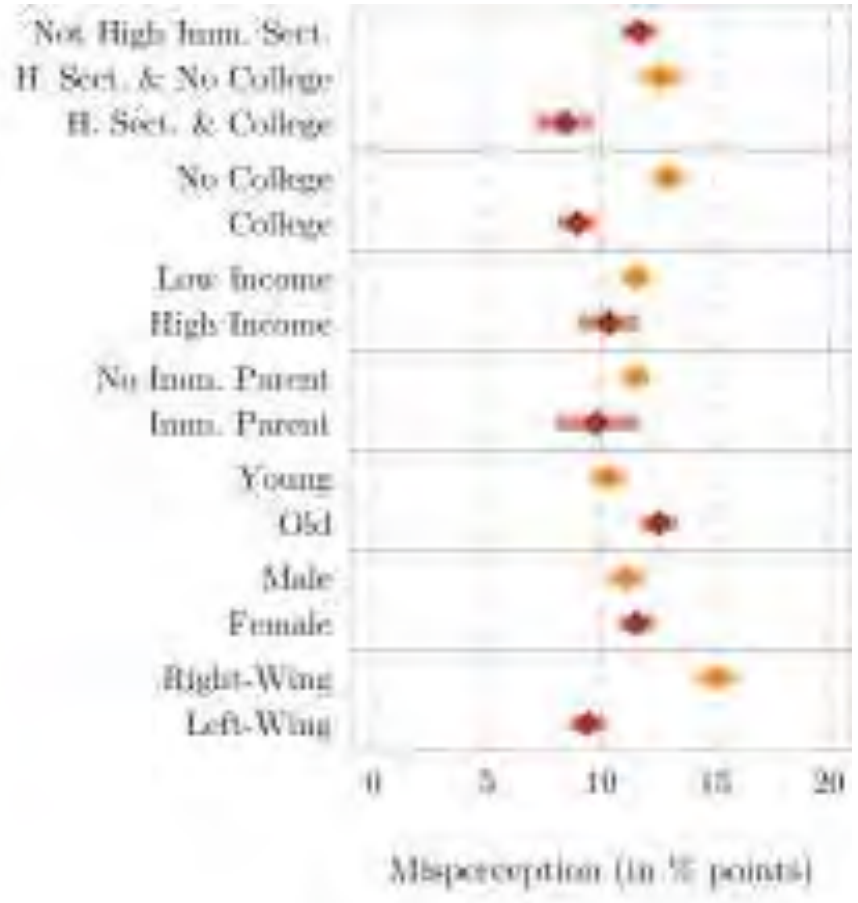


Who misperceives more? Those 1) in high immigration sectors with low education, 2) without college, 3) who are young, 4) who have an immigrant parent, 5) women.

US Sectors

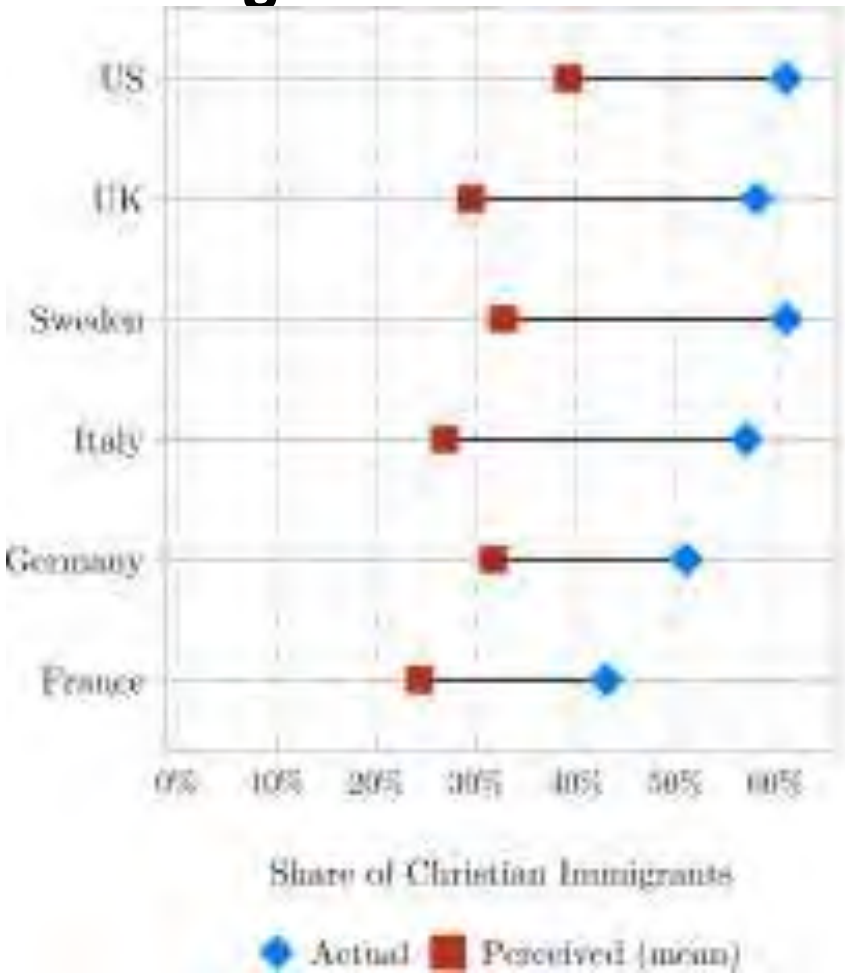
Perceived vs. Actual Share of Muslim Immigrants

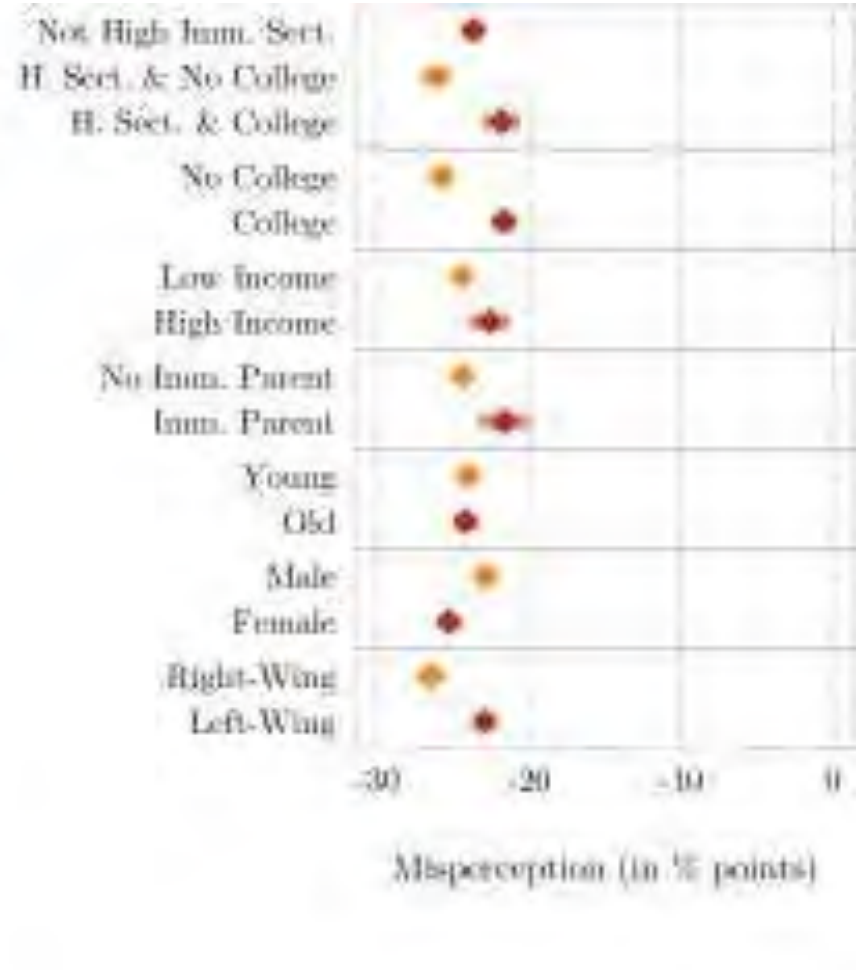




▸ Middle East ▸ North Africa

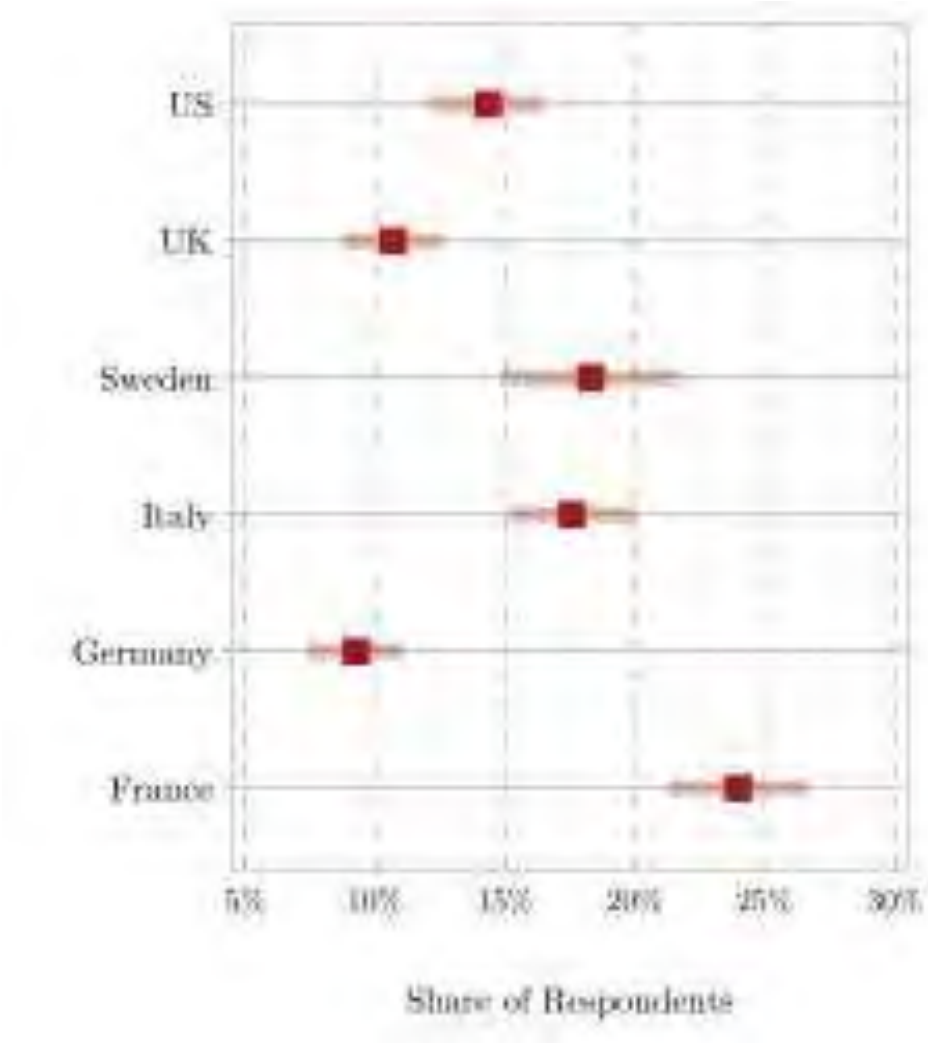
Perceived vs. Actual Share of Christian Immigrants

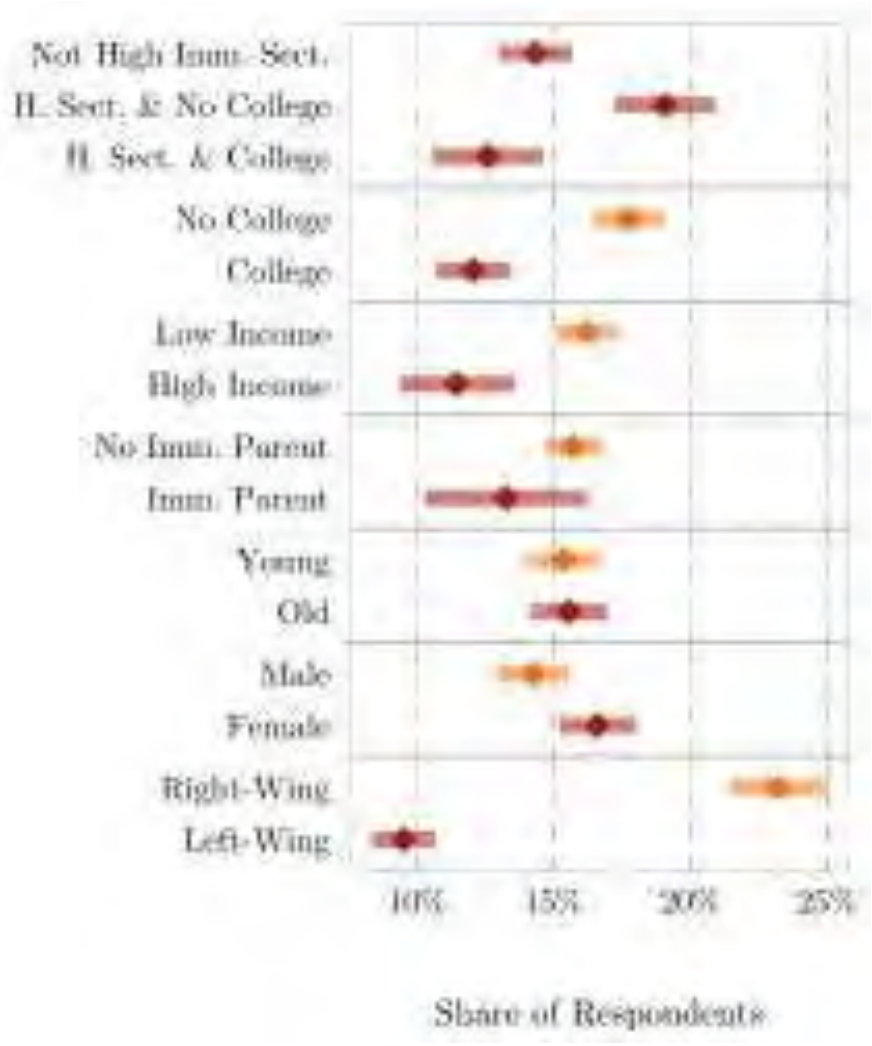




In all countries, respondents vastly underestimate the number of Christian immigrants. Those who have smallest misperception (smallest negative number) are 1) college educated, 2) those with immigrant parent, 3) men, 4) left-wing.

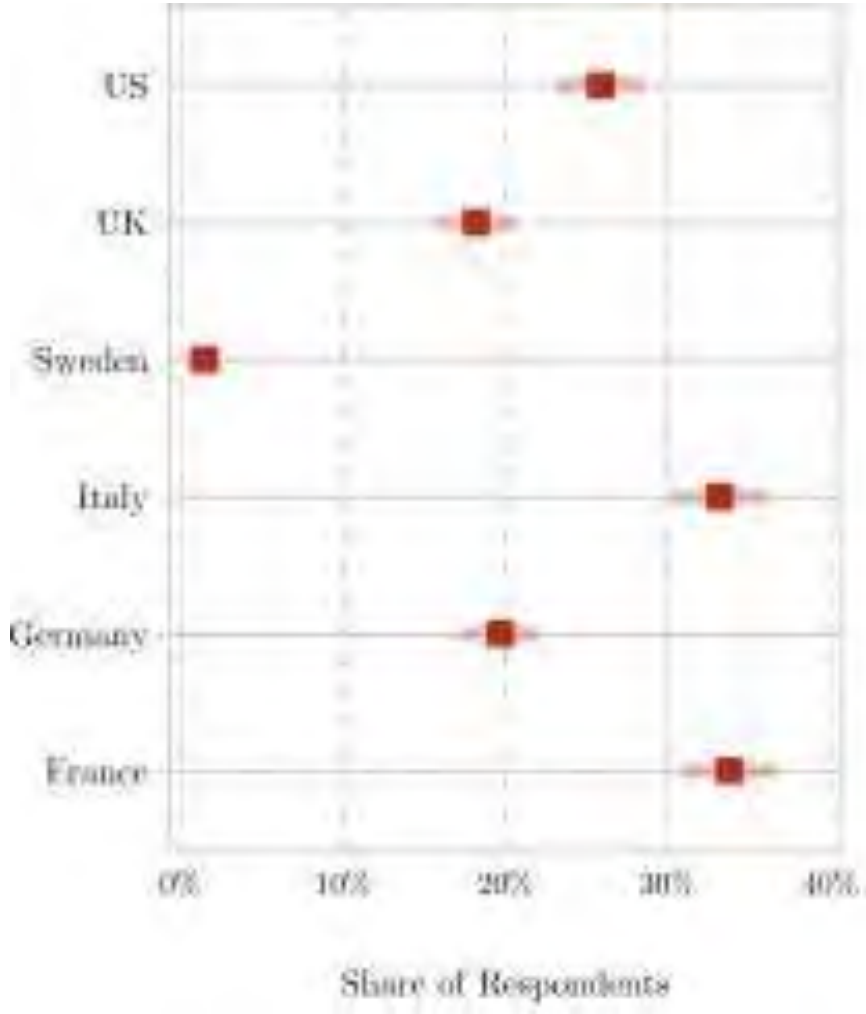
% of Respondents who believe average immigrant gets at least twice the amount of transfers of natives

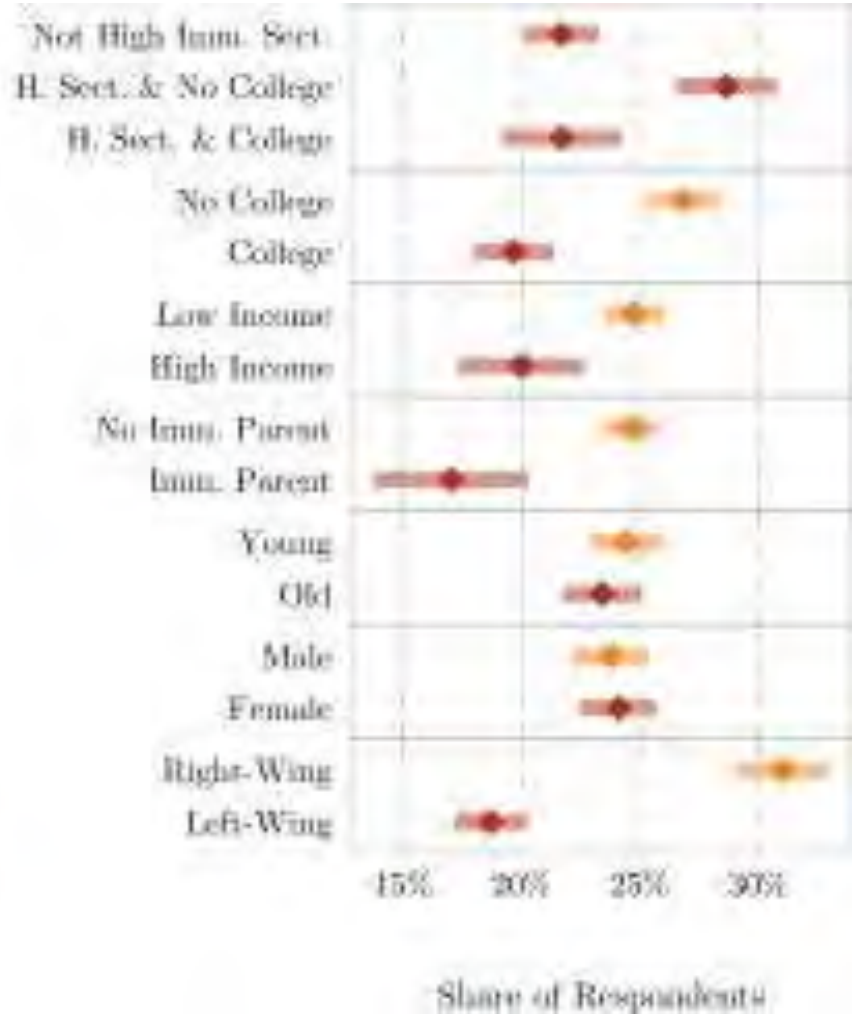




In reality in no country immigrants get more than twice the transfers of natives. Those who think immigrants get many transfers are 1) low educ in high immigration sectors, 2) non college educated, 3) the poor 4) right wing respondents. Relative Transfers

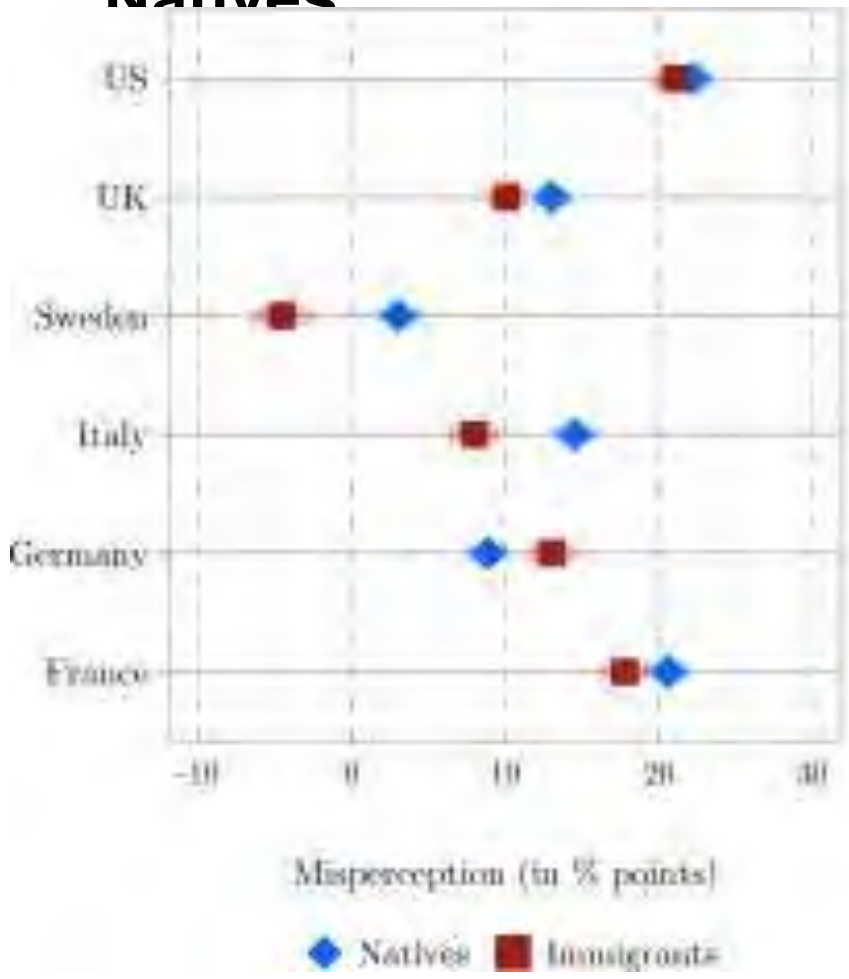
“Bias”: Does Mohammad Get More Transfers and Pay Less Taxes all Else Equal?

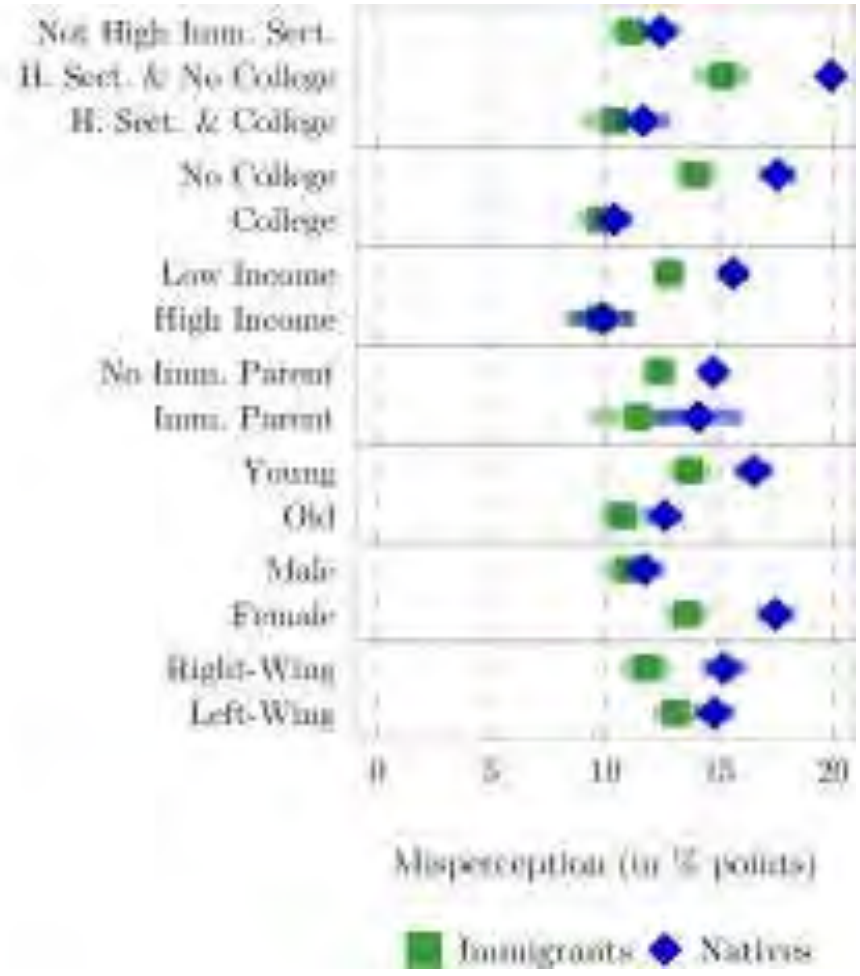




Across all countries, and respondent characteristics, a non trivial share think all else equal Mohammad gets more transfers and pays less taxes. France and Italy are most “biased.” Low educated in high immigrant sectors, non college educated, the poor, and right wing are most biased.

Misperception of Poverty - Immigrants vs. Natives





Across all countries, except Sweden, level of poverty for both natives and immigrants misperceived upwardly. Respondents overestimate share of natives that live in poverty to a greater extent than they do for immigrants. Perception that immigrants end up less poor because are favored by welfare system. Consistent with “populist” rhetoric.

Which Groups Know More?

Most people within countries have inaccurate perceptions they think that immigrants are

economically weaker, more unemployed, less educated,

more reliant on government transfers,

more culturally distant from them.

The misperceptions are largest for those without a college education, those working in lower-paid jobs in sectors that employ many immigrants, and right-wing respondents.

Left and right-wing respondents perceive the sameshareof immigrants, but they think immigrants havedifferent characteristics.

What Can We Do? Hard Facts vs. Narratives

Just making people think about immigrants, before asking them questions on policies for redistribution makes them less likely to support redistribution.

Biggest predictors of whether people will reduce support for redistribution: 1) perception that immigrants "free-ride" and do not put in hard work 2) that immigrants are economically weak.

Perceived cultural distance has weak effects; perceived share of immigrants has no effect

Showing information on the share of immigrants and their origins does not shift people's views on redistribution.

Telling people a story about a "day in the life of a very hard-working immigrant" has more positive impacts. Goes against 'free-rider' narrative.

"Hard facts" do not work for immigration, "narratives" are strong and influential.

Conclusion

Perceptions of immigrants systematically very wrong and negative.

Just making people think about immigrants brings out baseline (very negative) views and generates negative impact on redistribution.

Views on immigration are more sensitive to salience and narratives rather than hard facts.

Vicious cycle: the more natives are misinformed, the more they may look for confirmation of their stereotypes.

Focus on immigration issues on current political debate may have unintended consequence of reducing support for redistribution

> Anti-redistribution parties can play the immigration card to gain support for their views about redistribution even when they don't care much about immigration *per se*.

Lobbying

Définition

- Le terme « lobby » désigne un hall, plus spécifiquement, au XIXème siècle il désigne les couloirs de la Chambre des Communes anglaise où les membres des groupes de pression venaient discuter avec les parlementaires. Il désigne donc initialement des discussions informelles.

- Le lobbying comprend « toutes les communications orales ou écrites avec un titulaire d'une charge publique en vue d'influencer ou pouvant raisonnablement être considérées, par la personne qui les initie, comme étant susceptibles d'influencer la prise de décisions [...] », Assemblée nationale du Québec, 2002.

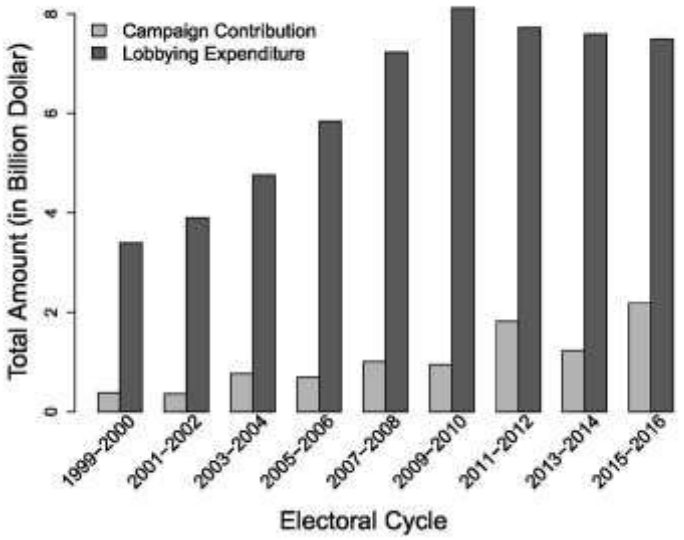
- Dans la plupart des pays, les activités de lobbying sont maintenant réglementées et recensées.

Une opinion publique hostile

- Le lobbying est très mal perçu par l'opinion publique : 53% des américains considèrent les lobbys comme un « très grand problème », alors que seulement 38% a la même opinion pour l'immigration clandestine (enquête du Pew Center).

- 60% des Américains considèrent la conscience éthique des lobbyistes peu ou très peu élevée, contre 25% pour les banquiers (Gallup annual survey).

Des montants exorbitants



Source: Huneeus et Kim (2019)

- Le lobby est une des principales possibilités pour des groupes d'intérêts d'accéder et d'influencer les sphères décisionnelles.
- Aux États-Unis, il représente maintenant plus de 3 milliards de dollars de dépenses par an.
- En Europe, le lobby est divisé entre le lobby auprès de la Commission Européenne/Parlement Européen et les lobbys aux niveaux nationaux.
- Le lobbying auprès des institutions européennes représente 1.14 milliards de d'euros par an.

La réglementation du lobbying

- Les États-Unis sont les pionniers en matière de réglementation des lobbys. Le *Federal Regulation of Lobbying Ac*t de 1946 oblige tous les lobbyistes à s'enregistrer auprès du Sénat. Le *Lobbying disclosure Act* de 1995 a rendu ce registre publique, et maintenant accessible en ligne.

- Le *Honest Leadership and Open Government Act* de 2007 amende et complète les deux précédents en y ajoutant des règles sur la transparence de la vie politique (par exemple, l'interdiction de cadeaux des lobbyistes aux décideurs politiques, les interdictions aux anciens élus de devenir lobbyistes dès la fin de leur mandats etc.)

- L'Union Européenne a un accord interinstitutionnel entre le Parlement européen et la Commission européenne qui exige l'enregistrement en ligne des lobbyistes seulement depuis 2011.

La réglementation du lobbying (2)

- Les réglementations au niveau des pays membres sont très hétérogènes. Un registre obligatoire existe en France, Irlande, Lituanie, Autriche, Pologne et Slovénie.

- En Allemagne, Croatie, Italie, Royaume-Uni et Roumanie des registres existent, mais aucune obligation légale ne force les lobbyistes à s'y inscrire. Les autres pays de l'UE n'ont pas de registres officiels.

- En France, la Haute Autorité pour la Transparence de la Vie Publique, autorité administrative indépendante créée en 2013, inaugure le registre obligatoire des représentants d'intérêts en 2017.

Qui fait du lobbying ?

Table 3: Regression of lobbying expenditure on firm characteristics

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Turnover	0.153***	0.119***	0.136***	0.134***	0.152***	0.168***	0.182***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.002)
Employees		0.006***	0.006***	0.005**	0.011***	0.010***	0.016*
		(0.001)	(0.002)	(0.019)	(0.001)	(0.001)	(0.065)
Profit margin			0.008*	0.008*	0.029***	0.029***	0.036***
			(0.060)	(0.057)	(0.001)	(0.001)	(0.003)
Patents				0.000**	0.000	0.000	-0.000
				(0.027)	(0.599)	(0.418)	(0.800)
Productivity					-0.091**	-0.093**	-0.174***
					(0.019)	(0.015)	(0.004)
Dummy non-tradable sectc						0.518**	
						(0.032)	
Regulation intensity							12.753*
							(0.090)
Constant	8.963***	9.240***	8.939***	8.958***	8.460***	7.945***	7.912***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Observations	1,215	909	811	811	284	284	135
Adj. R^2	0.09	0.08	0.10	0.10	0.23	0.24	0.33

Note: * p<0.1 ** p<0.05 *** p<0.01. Standard errors in brackets.

Looking at profitability, productivity, and various indicators of competition in a sector, the regression results seem to support the notion that firms from protected sector lobby more than other firms. First, more profitable firms, as measured by our profit margin indicator (i.e.

Source : Dellis and Sondermann (2017)

- Dans l'UE, plus de la moitié des lobbyistes enregistrés sont des représentants internes, groupements professionnels et syndicats. Plus d'un quart sont des ONG (Transparency Register).
- Les plus grandes entreprises en terme de chiffre d'affaire sont celles qui font le plus recours au lobbying.
- Les entreprises qui font massivement recours au lobbying ont en moyenne une productivité plus basse que les autres mais également une marge de profit plus élevée.
- Il y a plus de dépenses en lobbying dans les secteurs plus régulés (secteurs où il y a donc moins de concurrence).

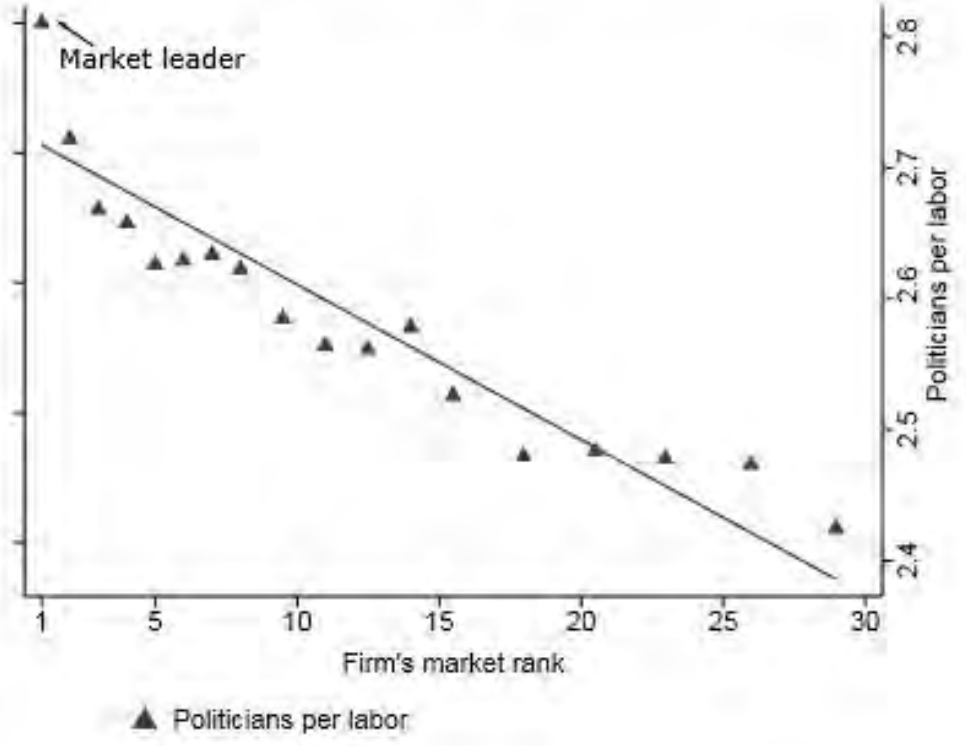
Connecting to Power: Political Connections, Innovation, and Firm Dynamics

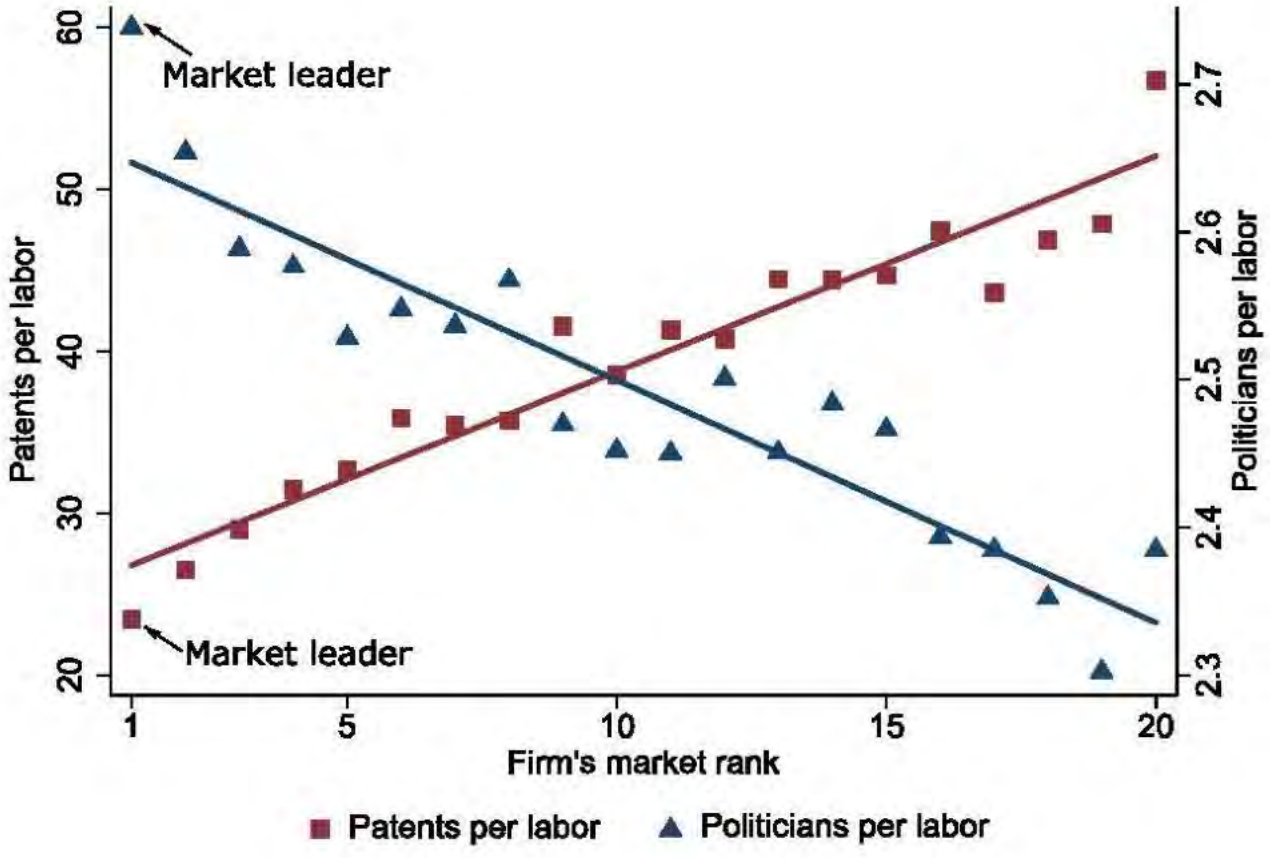
Ufuk Akcigit
UChicago

Salomé Baslandze
EIEF

Francesca Lotti
Bank of Italy

Market Leadership, Innovation and Political Connection





Source : Ackigit, Basldanze et Lotti (2018)

Fact 3: Connections and Firm Growth

	(1) Empl growth	(2) Empl growth	(3) VA growth	(4) VA growth
Connection	0.032***	0.040***	0.039***	0.014***
	(26.40)	(26.11)	(24.33)	(6.65)
Connection major	0.003*	0.007***	0.010***	0.002
	(1.96)	(3.78)	(4.87)	(0.99)
Log Assets	0.065***	0.203***	0.036***	-0.091***
	(267.14)	(268.76)	(118.75)	(-89.75)
Log Size	-0.077***	-0.384***	-0.080***	-0.235***
	(-256.15)	(-490.37)	(-217.56)	(-251.16)
Age	-0.002***	-0.011***	-0.004***	-0.005***
	(-89.31)	(-142.02)	(-145.67)	(-44.34)
Year FE	YES	YES	YES	YES
Region FE	YES	NO	YES	NO
Industry FE	YES	NO	YES	NO
Firm FE	NO	YES	NO	YES
Observations	6545131	6585740	5684519	5710338

Fact 3: Connections and Productivity Growth

	(1) LP growth	(2) LP growth	(3) TFP growth	(4) TFP growth
Connection	-0.014***	-0.028***	-0.008***	-0.019***
	(-8.22)	(-12.48)	(-6.03)	(-10.65)
Connection major	-0.001	-0.004	0.000	-0.003
	(-0.27)	(-1.55)	(0.15)	(-1.30)
Log Assets	-0.028***	-0.274***	-0.001***	-0.106***
	(-83.23)	(-236.12)	(-4.86)	(-116.33)
Log Size	0.021***	0.274***	-0.006***	0.125***
	(55.72)	(255.00)	(-18.20)	(145.41)
Age	-0.001***	-0.002***	-0.001***	-0.003***
	(-47.83)	(-17.48)	(-46.37)	(-31.58)
Year FE	YES	YES	YES	YES
Region FE	YES	NO	YES	NO
Industry FE	YES	NO	YES	NO
Firm FE	NO	YES	NO	YES
Observations	5598367	5623077	5271002	5291979