SECULAR STAGNATION AND GROWTH MEASUREMENT CONFERENCE

François Villeroy de Galhau, Governor of the Banque de France
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A SLOWDOWN IN ADVANCED COUNTRIES BY STAGES SINCE THE 1970S

GDP per capita growth
(smoothed growth rate; Hodrick-Prescott filter with $\lambda=500$; %)

Source: Bergeaud, Cette et Lecat (2016)
1. MEASUREMENT ASPECTS: IS THIS SLOWDOWN A STATISTICAL ARTEFACT?

2. ON THE DEMAND SIDE: IS THE ZLB INDUCING INSUFFICIENT DEMAND?

3. ON THE SUPPLY SIDE: A PERMANENT SLOWDOWN IN THE CONTRIBUTION OF INNOVATION TO PRODUCTIVITY GROWTH?
Challenges of digitalization are:

- **Conceptual** as the frontier between market and non-market economy is moving
  - Travel agency services now partly home produced
  - Increase in their quality and quantity
  - Yet, decrease in its value added as measured in national accounts.

- **Practical**, as:
  - New kinds of service are imported
  - Location of activities is less clear
  - Deflators for service output are more difficult to estimate
2. DIFFERENT WAGE RESPONSES TO UNEMPLOYMENT?

Real compensation per hour and unemployment after the crisis
(unemployment in % of the workforce; compensation per hour adj by private consumption deflator yearly average changes in %)

Source: ECB SDW
2. INCOME INEQUALITY

Gini coefficient after taxes and transfers 1985 to 2013

- France
- Germany
- Italy
- Sweden
- UK
- US

Source: OECD
3. DIFFUSION LAGS OF INNOVATION ACROSS FIRMS

France: Total factor productivity of firms by productivity levels
(median in log, base 0 in 1990, FiBen database)

Source: Cette, Corde, Lecat, 2017