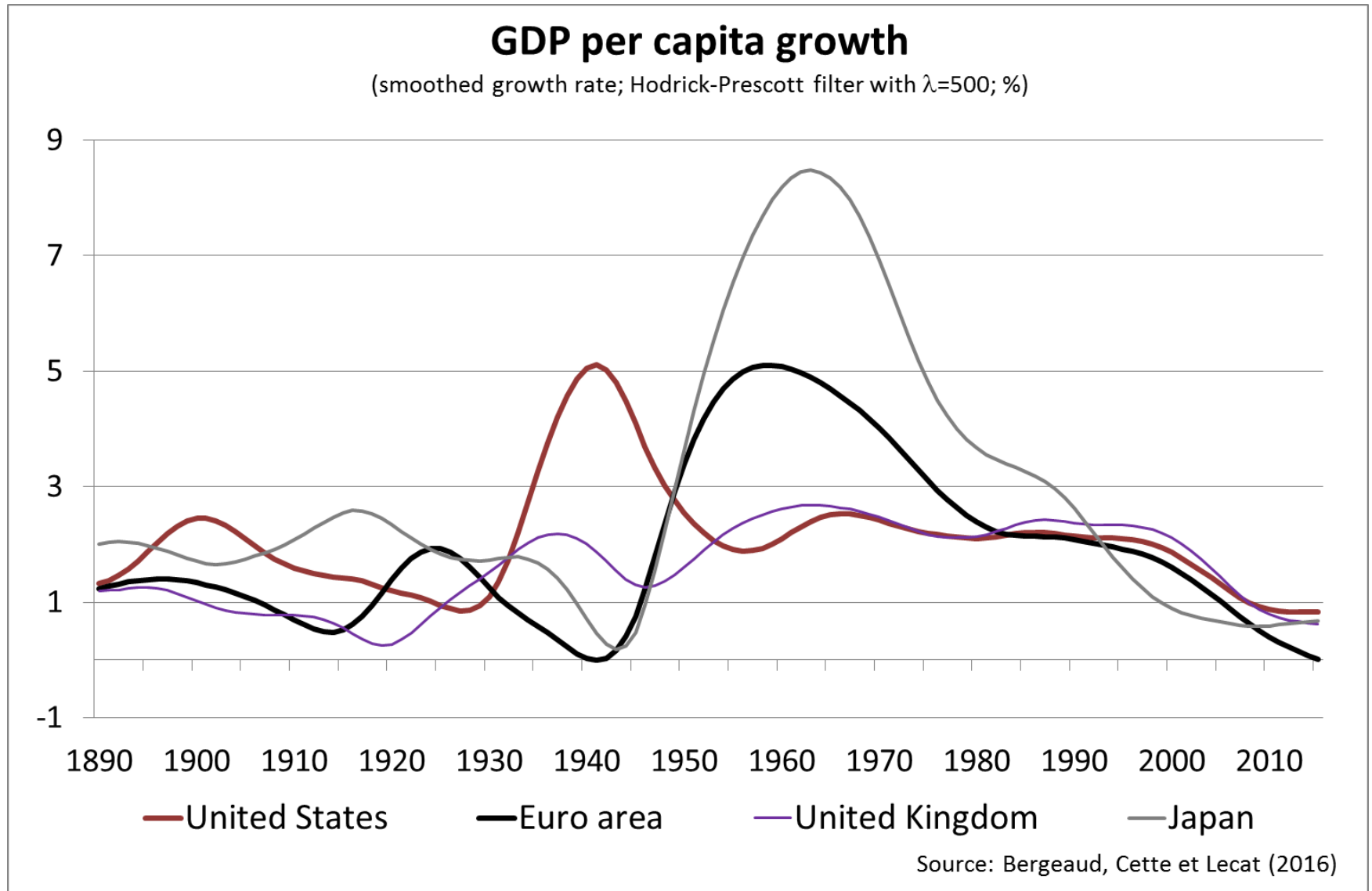


SECULAR STAGNATION AND GROWTH MEASUREMENT CONFERENCE

François Villeroy de Galhau, Governor of the Banque de France

Paris, 16 January 2017

A SLOWDOWN IN ADVANCED COUNTRIES BY STAGES SINCE THE 1970S



CONFERENCE OUTLINE

1. MEASUREMENT ASPECTS: IS THIS SLOWDOWN A STATISTICAL ARTEFACT?

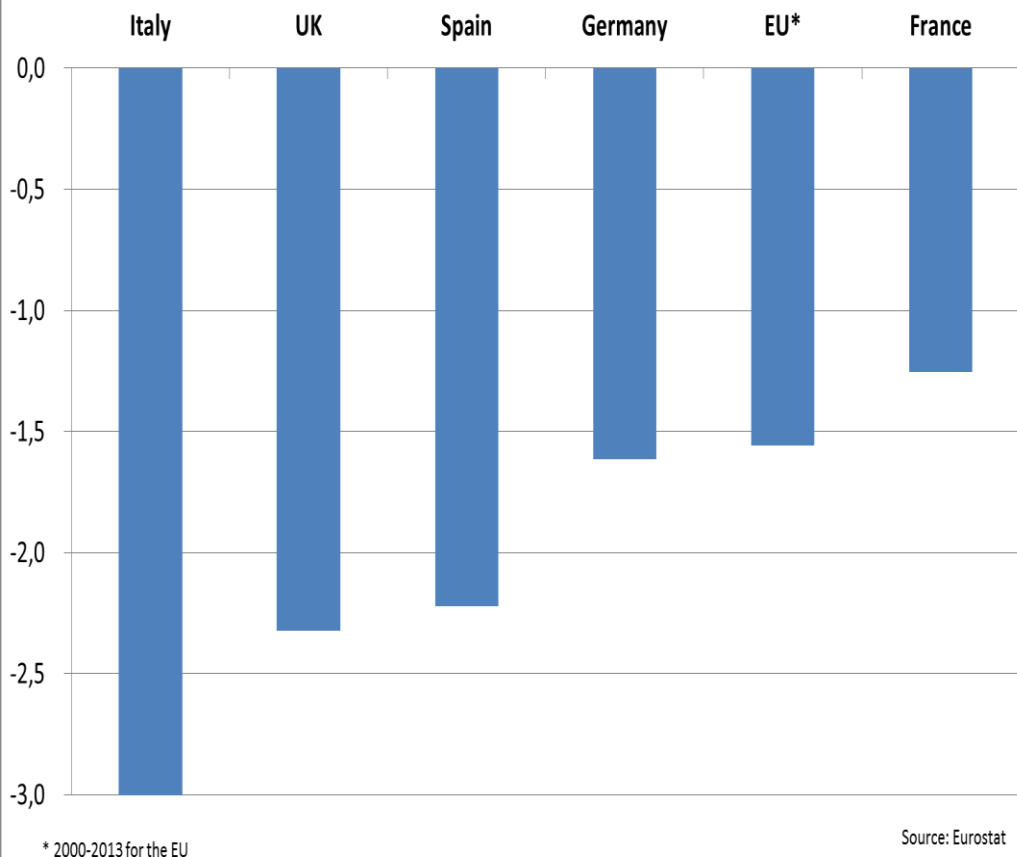
2. ON THE DEMAND SIDE: IS THE ZLB INDUCING INSUFFICIENT DEMAND?

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

1. MEASUREMENT ASPECTS

Travel agencies - Value added yearly growth rate - 2000-2014

(chained prices, average yearly growth rate, %)



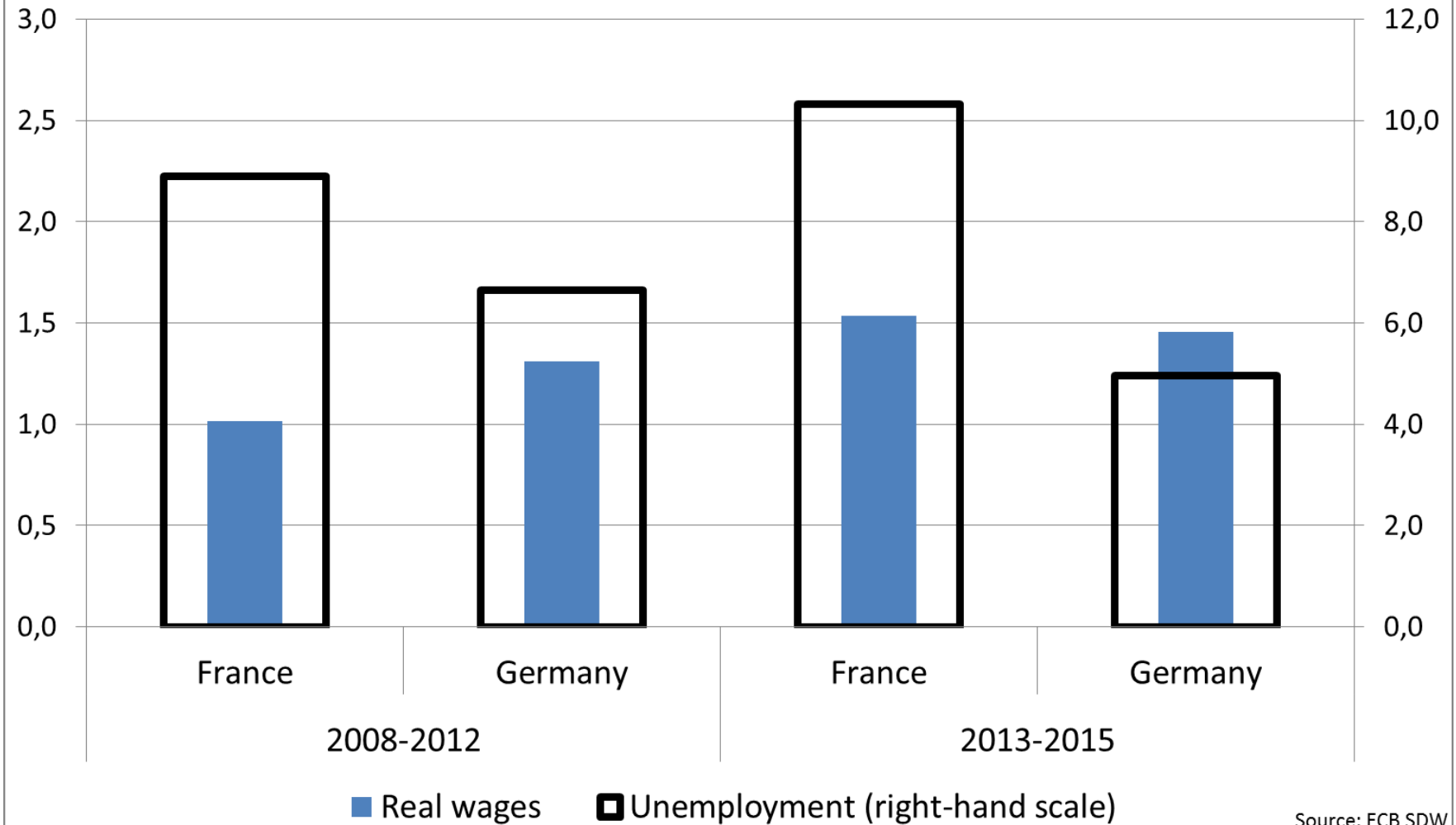
Challenges of digitalization are:

- ✓ **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

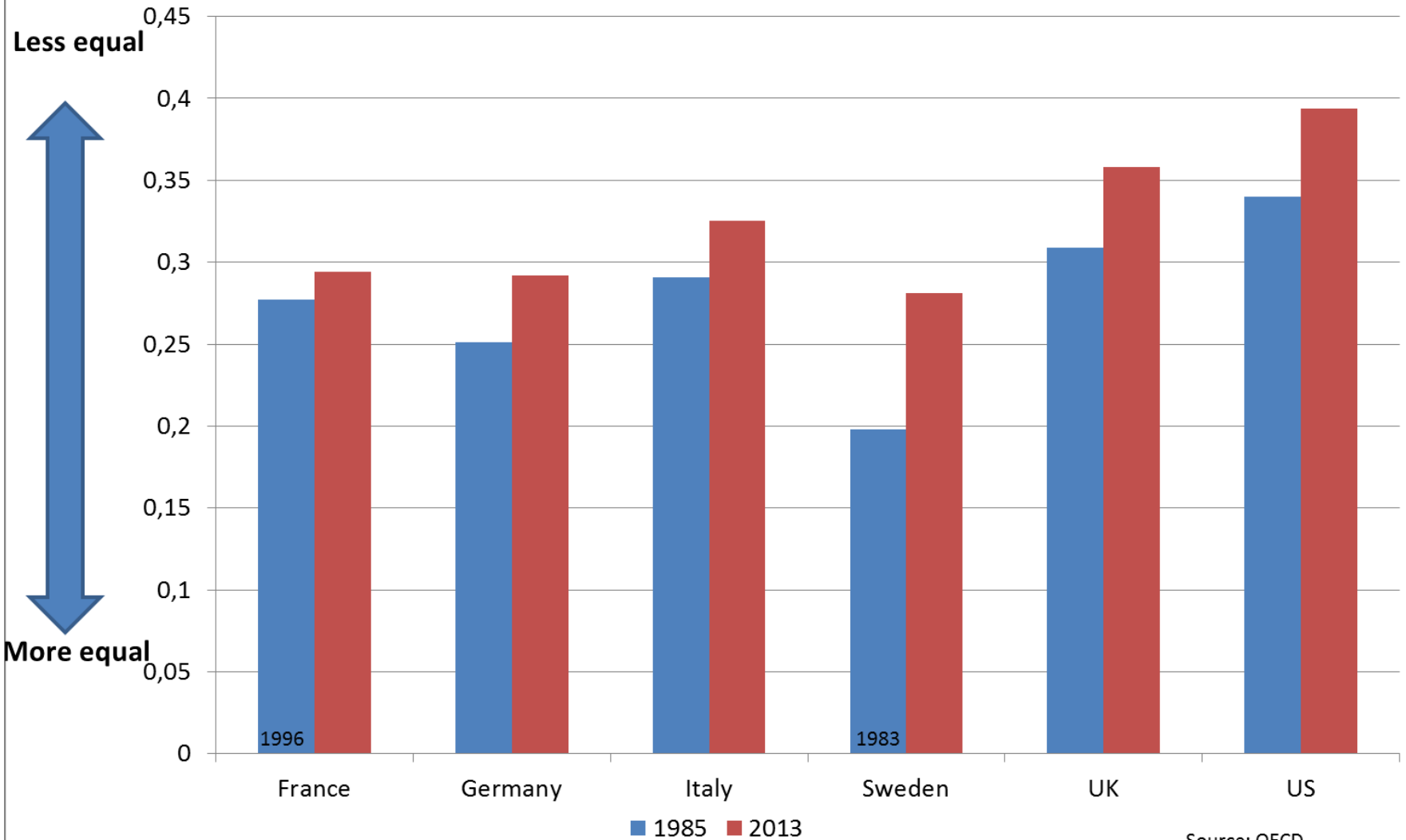
(unemployment in % of the workforce; compensation per hour adj by private consumption deflator yearly average changes in %)



Source: ECB SDW

2. INCOME INEQUALITY

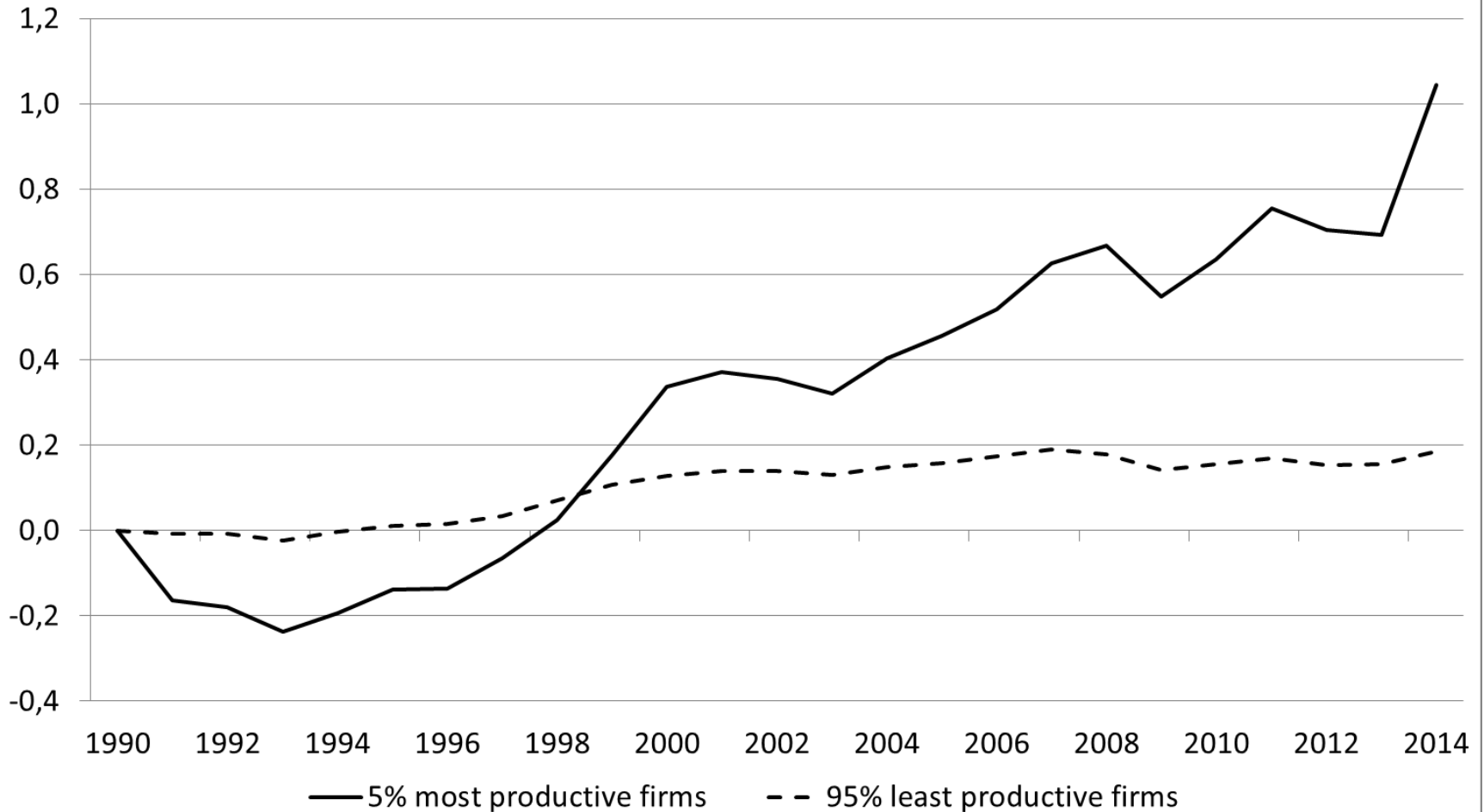
Gini coefficient after taxes and transfers 1985 to 2013



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