 

**ROUNDTABLE ON GROWTH, JOBS AND DISTRIBUTION**

November 12, 2012

Columbia University, New York

**Sessions Description**

**SESSION 1: THE PROBLEM IN CAPSULE**

In addition to reviving growth, the challenge for the US and other countries is how to generate enough jobs for those being made redundant by labor-saving technologies, outsourcing, and IT innovations; moreover the increasing skill intensity in manufacturing and the services makes jobless growth a likelier outcome. Unless the hollowing of the middle is managed, distributional problems will become increasingly intractable.

**SESSION 2**: **GROWTH IN THE CONTEXT OF ECONOMIC RE-STRUCTURING**

Recovery of growth from the Great Recession is being tempered by a number of factors with longer-term implications for job creation in the US and other OECD countries. These include industrial restructuring as a result of technological change and offshoring that is shrinking the share of manufacturing and uncertainty regarding the locus and pace of innovations with the potential of increasing TFP and creating a virtuous growth spiral. Growth is also likely to be influenced by political and financial developments that determine the volume of investment in brown and green infrastructure with multiple forward and backward linkages.

**SESSION 3: THE JOBS DROUGHT**

The dearth of middle class jobs has been a concern since the latter half of the mid-1970s. In 1990, Gary Burtless’ book, *A Future of Lousy Jobs?,* drew renewed attention to what was seen as becoming a chronic problem. The recession has brought the problem to a head and the current level, composition and duration of employment for many, demands a well- considered long run policy response that not only deals with the problems of the existing cohorts of workers without the requisite skills or education but also looks ahead and defines a comprehensive program to minimize the risks of persistent unemployment for future cohorts. Such a program would likely encompass not just education and training policies but also other active labor market policies and policies affecting corporate governance.

**SESSION 4: THE POVERTY THREAT**

Poverty is on the rise in the US and as the safety net frays in other OECD countries, could become a greater concern elsewhere as well. Increasing inequality is exacerbating the problem, as is economic globalization that is redistributing production around the globe. In the US – and other countries – geographical mobility is on the decline and technological change is truncating job ladders for those with only high school education and few skills. With fiscally strapped countries voting to reduce the role of the state and to curtail welfare programs, climbing out of poverty traps will become harder absent a significant and prolonged revival of inclusive growth that widens opportunities for the most vulnerable. Given the current political climate and fiscal circumstances, what are the policy options?

**SESSION 5: SLOWING GROWTH AND WORSENING DISTRIBUTION**

Incomes in the US have become steadily less equal from the late 1970s and in the Eurozone since the 1980s, with much of the gains accruing to the top 10 percent of income earners. A resurgence of growth and expansionary monetary policies during the 1990s and through 2007, largely muted concerns, however, the slowing of growth after 2008, the likelihood that a return to past trend rates is increasingly unlikely and a progressive ageing of OECD populations has brought concerns to a head. There are no easy ways of reversing the trend: well-paid blue and white collar jobs that have become scarce are unlikely to return; tax and transfer policies face almost insurmountable political hurdles; the generous welfare policies of yesteryear are no longer financially viable; and education and training policies take effect with partially and with long lags. Will it be politically and socially tolerable for the US to allow the Gini coefficient to creep up to current Brazilian levels by 2025 (0.53)? Could Eurozone countries tolerate current US levels of inequality or higher (pre-tax 0.49)? If the answer is no, what are the politically viable policy measures for the near term and the longer term?

**SESSION 6: POLICY DILEMMAS AND SOLUTIONS**

This session will summarize the issues discussed in the previous sessions and will identify the key messages for policy impact.

**TOUR DE TABLE**

All participants are invited to share their views on the nexus of issues.