

Schumpeterian growth theory

- Long-run growth driven by innovations
- Innovations result from entrepreneurial activities motivated by prospect of innovation rents
- Creative destruction: new innovations displace old technologies

Innovation and Top Income Inequality

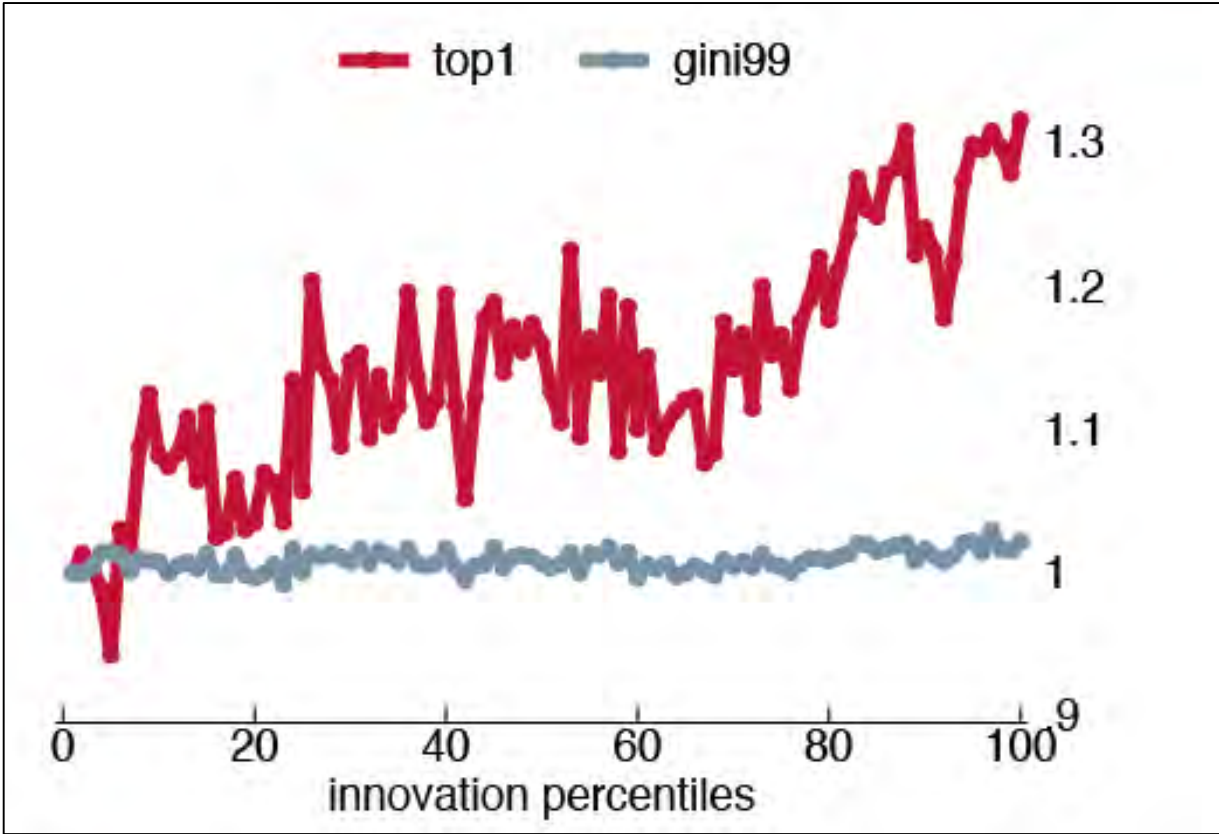
Philippe Aghion
Collège de France

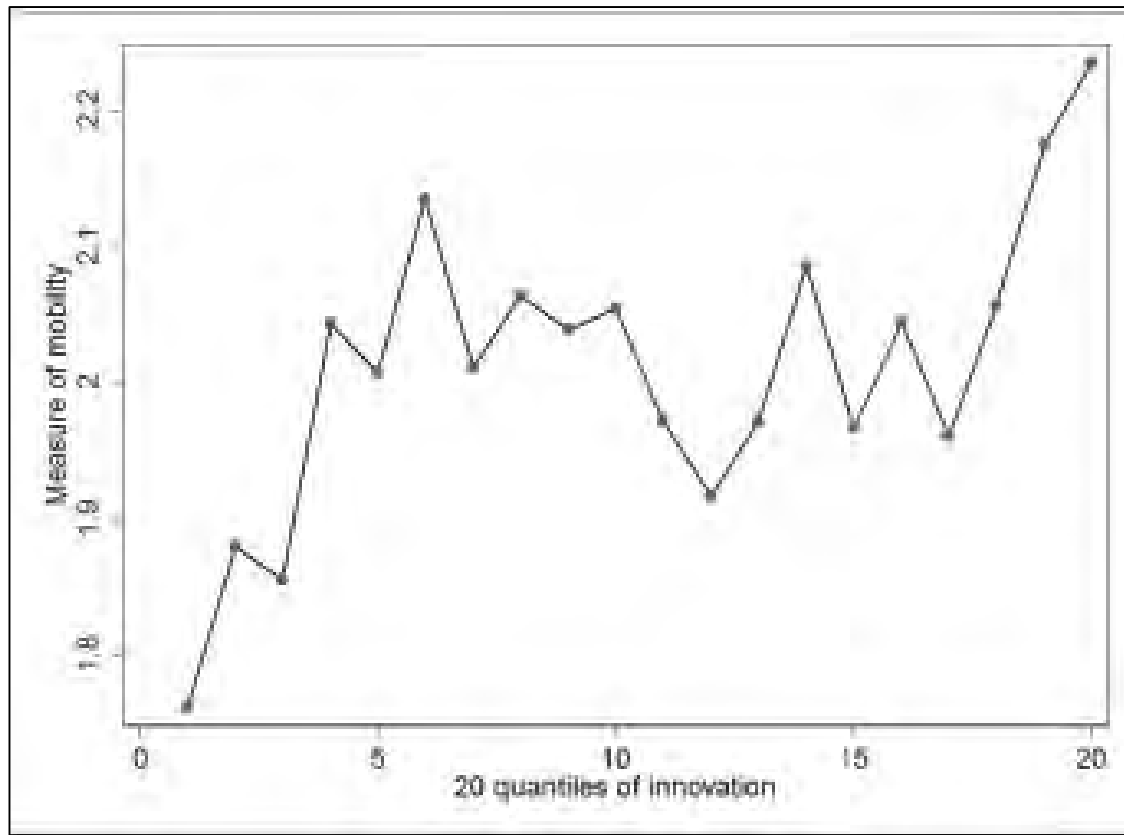
Ufuk Akcigit
University of Chicago

Antonin Bergeaud
Banque de France

Richard Blundell
UCL

David Hémous
University of Zurich





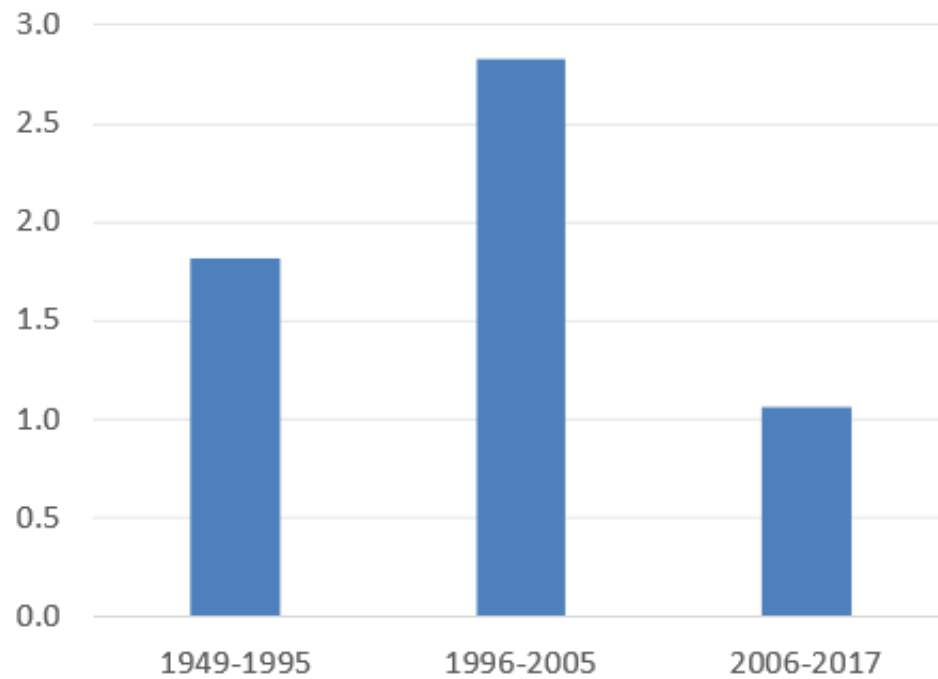
A THEORY OF FALLING GROWTH AND RISING RENTS

Philippe Aghion (LSE) Antonin Bergeaud (BdF)

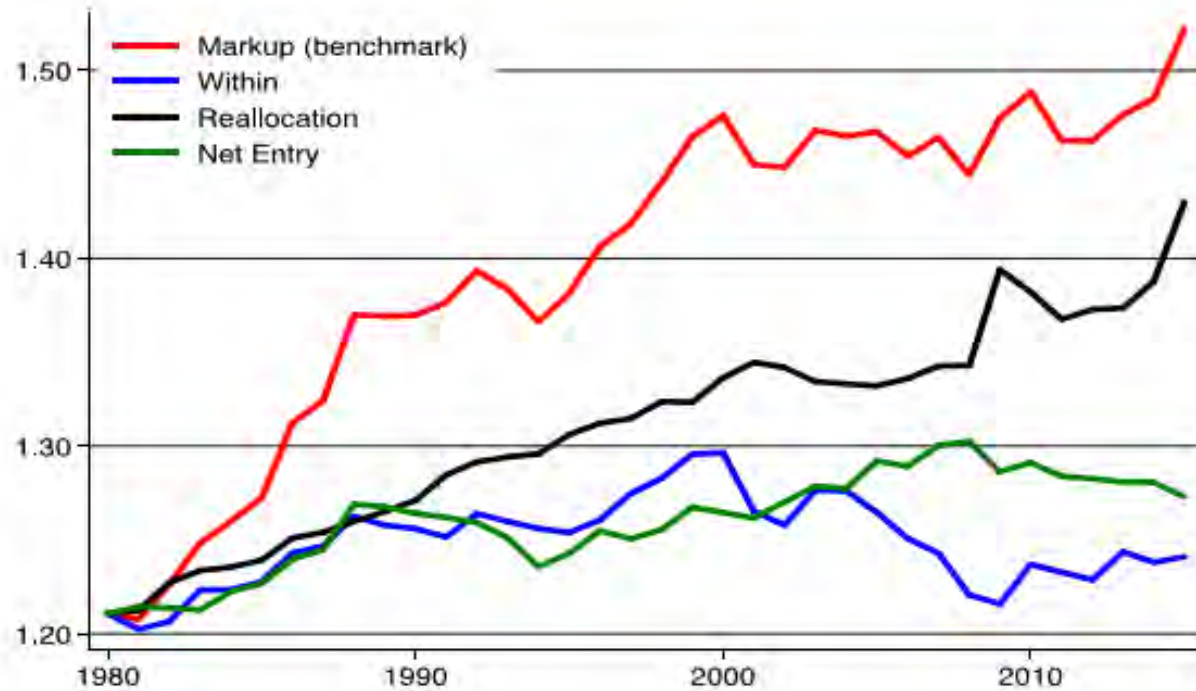
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RISE AND DECLINE IN TFP GROWTH



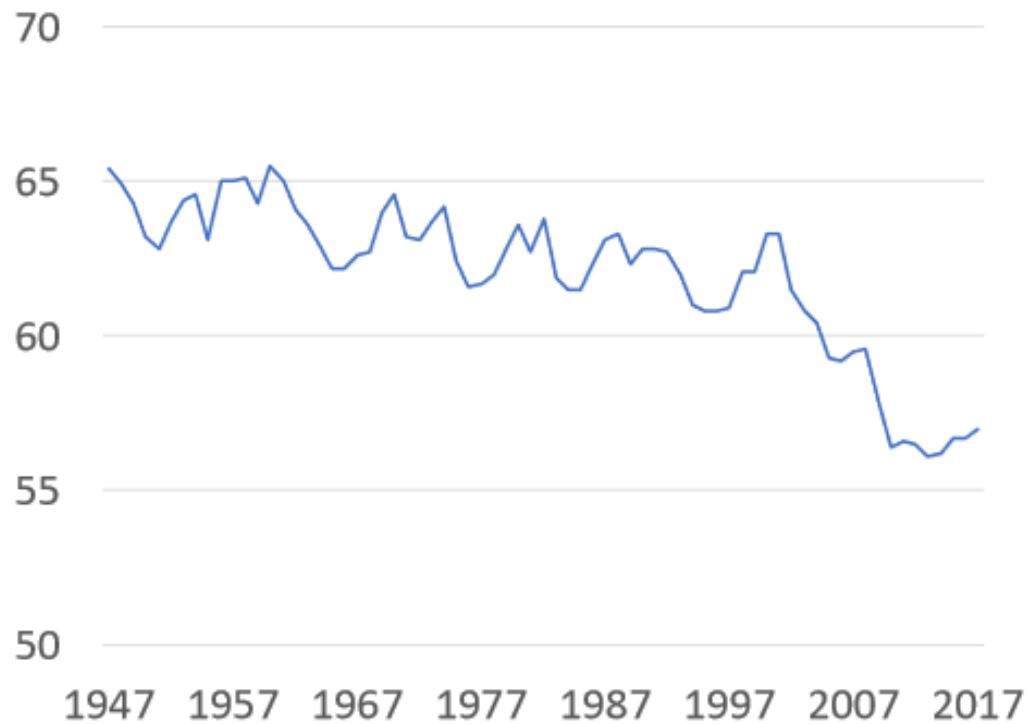
WITHIN FIRM MARKUPS



Source: De Loecker, Eeckhout and Unger (2018).

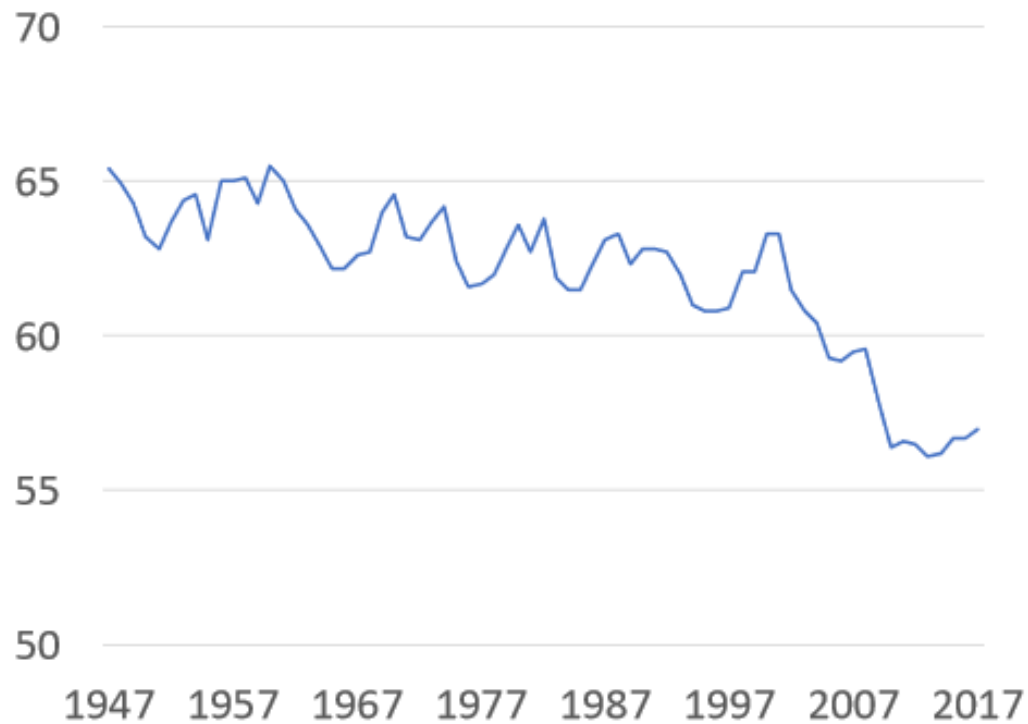
Additional

FALLING LABOR INCOME SHARE



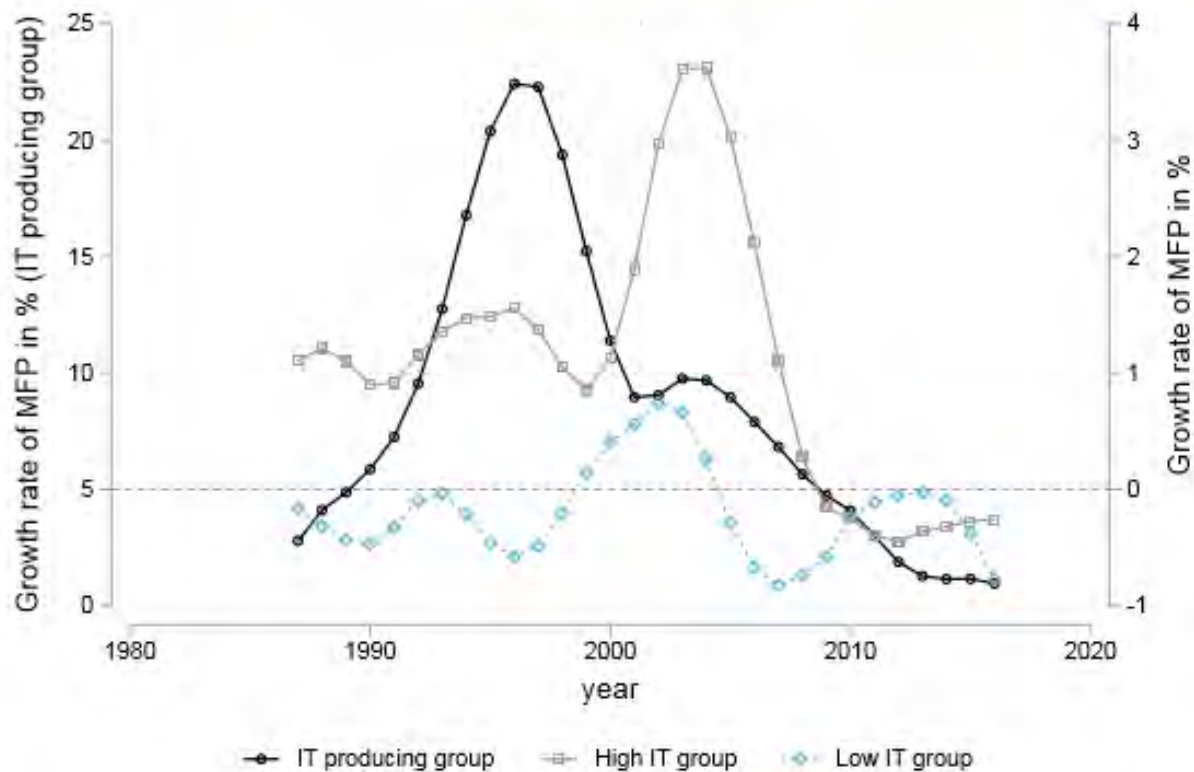
Source: BLS

FALLING LABOR INCOME SHARE

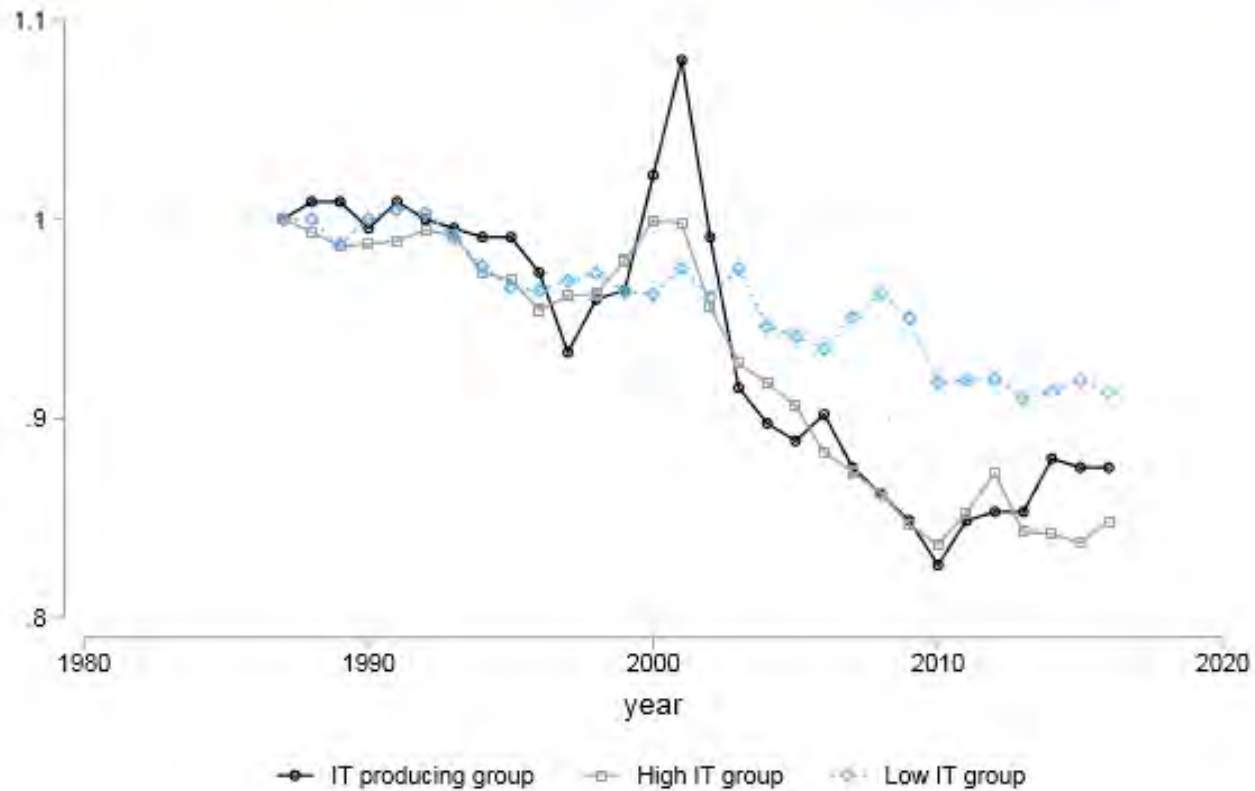


Source: BLS

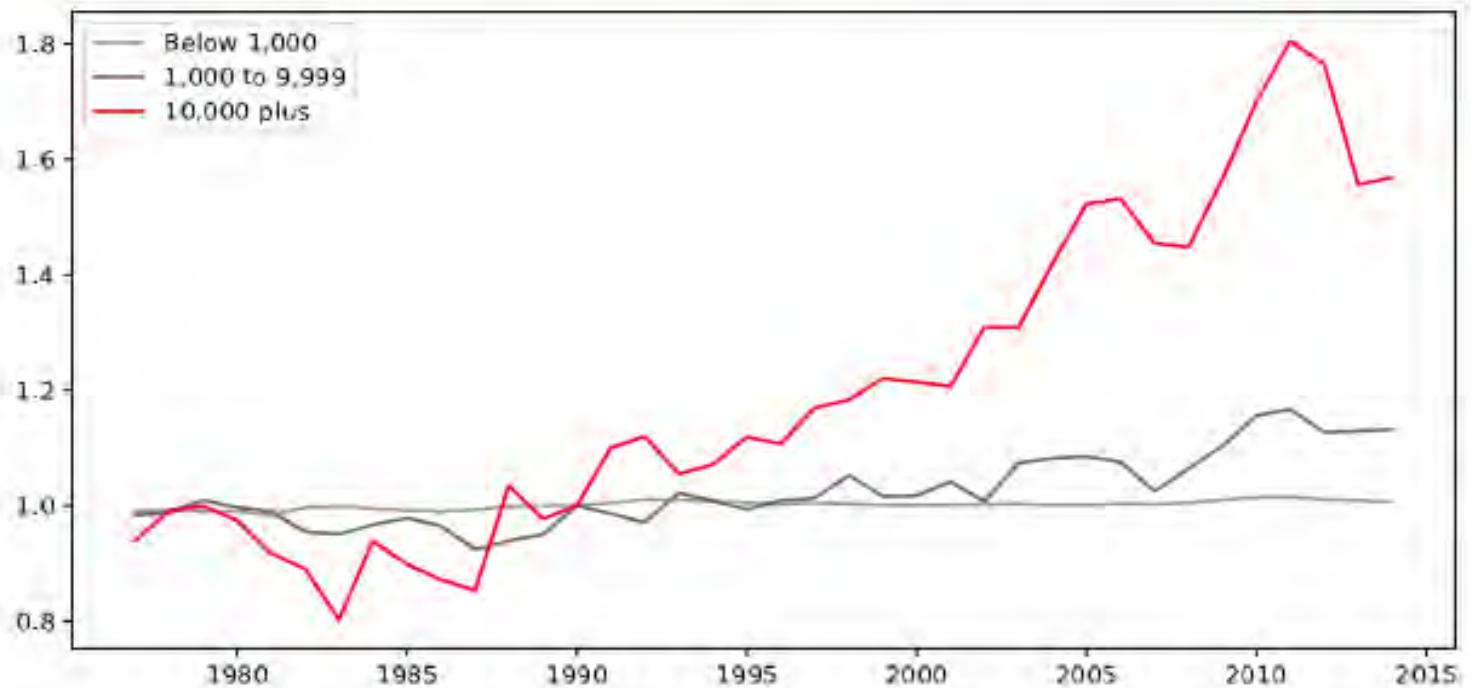
TFP GROWTH BY IT INTENSITY



LABOR SHARE BY IT INTENSITY



Rising Establishments per Firm



Source: U.S. Census Bureau's *Business Dynamics Statistics*