

スティグリッツ氏の発言要旨（原文）

○説明部分（議事要旨 2～7 項）

Dr. Joseph E. Stiglitz: Thank you very much for this invitation again. I always enjoy coming here and discussing these issues with you.

I have prepared a brief PowerPoint. Let me begin with a brief diagnosis of the current situation in most of the advanced countries, including the United States.

This century has been marked by very slow growth, and the real problem is what growth has occurred has gone disproportionately to the top. Strikingly, in the United States, in the first three years of our recovery, 2009 to 2012, 91 percent of the growth went to the top 1 percent, so the bottom 99 percent saw almost nothing.

In the United States this is even showing up in health statistics. Life expectancy in the United States is beginning to decline, and this is especially true for middle-aged people. And the problems of unemployment and declining income are particularly serious among males. Median income for a full-time male worker is lower than it was 40 years ago. So this helps explain what's happened in our political life in the United States, and it is a warning for other countries—if there isn't shared prosperity, there can be serious consequences.

Most of what has happened has to do with technology, not globalization, but globalization is being blamed. Whatever the cause, one has to deal with the symptoms or face severe consequences.

Both technological change and globalization were supposed to bring prosperity for everybody. Unfortunately, they didn't, and that means we have to redesign our society and our economy to make sure that these forces that are supposed to benefit everybody, and could if society were better structured, actually do.

And that fundamentally leads to the view that we need to focus on the structure of the economy, and this leads to your third arrow. But part of that, I'm going to emphasize, is making sure the macroeconomy is very strong, and that's where monetary and particularly fiscal policy are going to come in.

So, let's talk about restructuring the economy towards the service sector. Key service sectors are education, health, public services, and research. And the important point that I want to emphasize is that the value of these services is socially determined, not market-determined; that is to say, we as a society determine the value that we place on who cares for our elderly, who cares for our children, who cares for our sick. This is a social issue. And if you value those services a lot, you pay a lot for them; if you don't value them a lot, you don't pay a lot for them. The public sector is going to be very intimately concerned with the provision of health, education, and care for the elderly. We have to recognize that in the economy as we go forward, these service sectors are going to play a more important role. Therefore, the government has to play a more important role as well.

I think if you pay higher government wages, the private sector wage will follow the public sector wage, rather than the other way around. An important tool that we've used in the United States is the earned income tax credit, which says to low income workers, the government will supplement your wages to bring them up. The principle is that nobody should work full-time and still be in poverty. In the United States, you can work full-time and still be earning only 50 percent of the poverty level. So it is important for everybody who is working full-time to have a livable wage.

There are several principles to bear in mind as you think about helping the economy adjust to the new reality. The first is that markets don't do these kinds of transformations well on their own. There is a whole set of theoretical reasons why markets don't restructure on their own, including capital market imperfections, for instance.

The second is that trying to think of manufacturing as the future is not going to work. Global employment in manufacturing is going down, and

the advanced countries are getting a smaller share of that. This reiterates the importance of realizing that you're going to be moving to a service sector economy.

The third thing is that there are large benefits from creating a learning society, a learning economy, a knowledge-based economy. And again, in innovation, the government must support basic research and play a very important role, working with the private sector.

The fourth thing is that education and retraining programs are going to be very important. They can work, but they can only work if there are jobs and if there's a match between the training programs and the jobs. Where retraining programs fail it's usually because there are no jobs.

The final point I want to emphasize is that what is needed for Japan is a new industrial policy, a 21st century industrial policy. Japan had a very successful industrial policy in the 1960s and '70s and '80s, and then it became unfashionable to have industrial policies. I think industrial policies need to come back into fashion, but they should be different from the industrial policies of the 1960s and '70s. The economy today is a different economy, but it still needs an industrial policy working for the structure of the economy today. So it needs to focus on some of the key issues of today, like the issues of global warming and the aging population. For instance, how do you develop technologies that help the aged? Those can become big export industries, taking advantage of the strengths that you already have. And in all of these, I think knowledge is going to play a central role.

The other elements of a successful policy response to today's dilemma are three that I want to mention very quickly: improving equality, maintaining the economy at near or full employment, and creating the revenue streams necessary to support these and other efforts. Revenues are going to be important, and I know that nobody likes taxes, especially the private sector, so I'll come to that in a minute. So let me go through these fairly quickly.

First, on improving equality. There are three parts to this: improving the distribution of market income, improving the distribution of after-tax and transfer income, and thirdly, providing social protection.

Looking very quickly at each of these, for improving the distribution of market incomes, I think the thing that's most important here that has not been recognized is the importance of the rules of the game. My book *Rewriting the Rules of the American Economy* takes the view that in the last 35 years, the last third of a century, the rules of capitalism were rewritten. It happened differently in Japan than in the United States. It was much more active in the United States, and, therefore, we got much worse results. These rules affect corporate governance, anti-trust policies, competition policies, bankruptcies—I could go through the whole list, and the book does that, but the point is they were all rewritten in ways that increased inequality and led to slower growth. It led to corporations focusing on the short-term rather than the long term, and when companies focus on the short-term they can't make the investments in people, technology, and R&D that are necessary for long-term economic growth.

And without active antitrust and competition policies you get a lot of market power, and when you have market power, you don't have a dynamic economy. One of the puzzles in the United States and in Europe is that profits are high but investments are low. The reason for this is that profits are high from market power, but the monopolists don't want to spend more because expanding output would ruin their own markets. So the argument is that you need to have more effective anti-trust policies and better corporate governance.

There are other policies to increase wages. One of them is running the economy more tightly. It's very difficult to know how tight is tight. In the United States our unemployment has come down, but we still don't have any inflation. And so my view is that that's a symptom that we don't have it tight enough. And the same thing in Japan: you have a lower unemployment rate, but you still don't have your 2 percent inflation, so I think you should still stimulate the economy. You still have a weak labor market, even though there are some people who think otherwise.

There are other measures, like increasing the minimum wage, and I gather you're thinking about doing that. We've had a very big fight over the minimum wage in the United States. Seventy-five percent of Americans believe the minimum wage should be increased, but we can't pass this through our Congress. It's amazing. And we have a very big movement now, a grassroots movement, called Fight for 15 [calling for a \$15/hour minimum wage], which has been very energizing throughout our society.

A second aspect is reducing the intergenerational transmission of advantage and disadvantage. We've increasingly realized that the most important decision a person makes is choosing the right parent. If you choose the wrong parent, your life prospects are not very good. So the real story is we have to do better on preschool education and making university education accessible to all, and I gather you're working on that. I think that's very, very important.

Another role of distribution in preventing the great divide is improving the equality of after-tax distribution of income, and that entails progressive taxation.

But I want to mention one thing, and that is about monetary policy. We sometimes think monetary policy is just about interest rates, but it's also about access to finance, making sure the financial system ensures finance for everybody.

And finally, social protection. One of the problems is that we need to have social protection without protectionism. We didn't have enough social protection so people are demanding protectionism, and the only way to fight back is to have better systems of social protection.

So the second element of improving social protection is better macroeconomic performance. The real problem is a lack of aggregate demand. Part of the problem of lack of aggregate demand is too much inequality. If we have more equality it will strengthen aggregate demand. If you have more security from better social protection, people

can spend more, and one of the things that's holding things back is that kind of insecurity.

But I do think overall monetary policy has reached its limit, and that's why I think it's important to continue to have strong fiscal policy, and by that I mean continuing spending on education, industrial policies, and restructuring.

And the question then is how to finance that, and there are three ideas that I want to just put forward for you to think about.

As I have mentioned before, a carbon tax is the best way of raising revenue because it does three things simultaneously: it creates a green economy because it gives the incentives to save on carbon, it raises revenue, and it actually stimulates demand because people have to restructure their businesses to retrofit them for the new green economy. So unlike a sales tax that discourages demand, this encourages investment. It encourages restructuring the economy. And so I think a good way to raise revenue is through a carbon tax. A lot of people in industry don't like it, and I know that, but the reality is that it is actually something that is good for everybody in the long run.

The second thing is your debt is actually not as bad as many people say, and that's because you owe 40 percent of your debt to yourself. So you and Kuroda-san should get together and just cancel it. At least you should not let this debt drive your behavior. You should think as if you have debt that is much lower than it seems since you owe it to yourself.

And the third thing is that you should restructure your debt to make it long-term because the real worry is, what happens if the interest rate starts to rise and you have to roll over the debt. But if you have perpetuities or 50-year or 100-year bonds, that's not going to be a major problem. So you could issue long-term bonds and that would reduce the risk and totally change the risk profile, giving more confidence to the economy.

Tax revenues are necessary if the major challenges I've talked about, restructuring the economy and reducing inequality, are to be addressed.

I think the evidence says that economies that are more equal actually perform better, and that's been a central message that the IMF has been conveying, as well as the OECD. So you actually get growth benefits out of this progressive taxation, which leads to more equality. And we've all seen from what's happening in the United States the dangers of doing nothing if you have a divided society. So this should be a wake-up call.

With globalization, you should be aware that if it's not well-managed it can have very big distributive consequences, and if the benefits aren't rightly shared, there will be a backlash, so it is really important to have it well-designed.

So let me just conclude with a few brief remarks.

First, a remark that goes beyond economics, which is the new world order without the United States at the center. The United States I think has served a pivotal role, as you know, in constructing the post-World-War II geo-political, geo-economic order, which has benefited people all over the world. But right now the US is stepping back, and one has to deal with that reality.

The good news I think is that the global institutions the United States played a very important role in creating are strong enough to carry on on their own. Kuroda-san was the head of the Asian Development Bank, and the IMF and the World Bank are actually in strong shape.

And again, the good news for Japan is that the US administration is focusing its attention on Mexico and China and not on Japan.

But the point I wanted to really make is that the world needs Japan's leadership. This could be a time of opportunity. Japan is the democracy with the second-largest economy. There may be scope for better trade agreements without the US, where special interests dominate at the USTR. You can advance trade agreements with environmental and labor and human rights standards, and without undemocratic investment agreements and drug provisions which increase drug prices

and reduce access to generics, which were the basis of so much opposition to TPP.

The economies in the advanced countries, including Japan, have not been doing well. There have been low rates of productivity growth necessary for increases in standards of living. Some of this has to do with the switch to the service sector. In the service sector, there are serious measurement problems, and we have to learn how to increase productivity in the service sector. Japan has been at the forefront of increasing productivity in manufacturing, but this hasn't spread to the service sector.

What growth there is has gone to relatively few. And technological progress, reforms in the economy, and globalization have not brought the benefits hoped for. There will be serious political consequences for not addressing these issues.

I believe that for the advanced countries in general, there are alternative policies which are more likely to ensure sustainable shared prosperity. These will include an important role for government. I think these policies will increase the equality of market income. The government needs to take a more active role in redistributions and in helping the economy restructure to a modern service sector economy, creating a learning society, and promoting innovation.

And finally, let me say, this is both a time of opportunity and a challenge for Japan. Most of these policies can be adapted to the circumstances of Japan. I think Japan has many advantages. It has long experience in industrial policy. It has lower levels of unemployment, and it has lower levels of inequality than many of the other advanced countries.

So I think you're beginning with a number of advantages, but it also faces especially serious challenges with a declining workforce and an increase in inequality among the aged.

Let me emphasize though that what matters is not growth rates – it's the quality of life, it's the standard of living, and quite often that gets

confused. GDP is not a good measure of growth and so you need to focus on what makes people better off.

Monetary policy I think has reached its limits, and Japan needs to introduce a carbon tax to raise revenue without adverse effects on growth.

Most important are the structural policies, your third arrow, including those necessary to recreate Japan's leadership in innovation. And as the second-largest economy among the world's democracies, we will especially need Japan's leadership in the coming years. Thank you.

○質疑に対する応答部分（議事要旨 9～10 項）

Dr. Joseph E. Stiglitz: Thank you very much for your comments. Let me first talk about the role of innovation, and I think that leads back to what was said in the beginning, which is that in the United States I think the strength is this combination of both public universities and not-for-profit universities. At one end you have Berkeley as one of the best public universities, and then you have Stanford, Columbia, Harvard, and Yale as not-for-profit institutions. They're not "for profit"; they are civil society foundations, and I think that they perform a very important role, but their research is supported by the government. And so this all comes down to the foundation of basic research, and I think one has to spend more on basic research.

This is particularly important because the United States is going to be spending less, and so the flow of new ideas won't be coming from there. So if you're there in the basement when the building is being structured with the basic ideas, you'll be ahead. So to me, support for basic research is fundamental in this process.

The second part of course is creating the clusters facilitating the interaction between the private and the public sector that we have in Silicon Valley. That I think has been very fruitful.

But the third thing I think is to keep in mind societal objectives. Too much attention and research in the United States has been focused on developing better advertising agencies. You know, Google makes its money from advertising, as does Facebook. They're not actually directed at some of the most important societal needs, like climate change. So it seems to me that in the back of one's mind, one wants to think about innovations, but innovations that will transform society and increase productivity and the standards of living in a fundamental way.

Part of it is reflecting on something that you've said—making sure that everybody is able to reach their potential—and unless you have access to education for everybody, you won't be able to do that. And the evidence is also very strong about the importance of preschool education. If you grow up in poverty, or even above poverty but without well-educated parents, your linguistic skills and your capabilities by the time you reach school at age five are already behind.

But this fits into the other part of the agenda of making sure that women can participate in the labor force. So if you have high-quality preschool education, you are both improving opportunity and you're enabling women to participate in the labor force, so it's a program that affects both, and that over the long-term affects innovation.

The things that we've talked about require revenue, and as I've said, no one likes to pay taxes, so one has to begin with that as a premise, and then the question is, what is the best tax? And I keep saying the best tax is to tax bad things to bring about good things. It's better to tax pollution than to tax work or savings. And so that's the basic philosophy.

Now the estate tax is important because one of the problems of inequality is the intergenerational transmission of advantage, and the estate tax helps break that. Actually, the logic of the estate tax is that it encourages consumption because it discourages people from saving to pass on to their children. So it strengthens demand today.

On the question about generics, in the United States more than 80 percent of all drugs used are generics, and without the generics our

prices would be outrageous. The irony is that the government does the basic research, the government buys the drugs, and the profits go to a few pharmaceutical companies that increase our drug prices by lobbying, increasing costs to the US government.

So in my mind, it is important to support basic research for medicine, it's very important. And you have to bring the drugs to market, which the pharmaceutical companies do well. But there's a third stage, which is the testing of the drugs, which can be done much more efficiently by a public service, a public provider of testing, because that's where a lot of the monopoly rents originate. My final observation is that the bargaining power of workers is weak and getting weaker. When you have unemployment, that's going to weaken the bargaining power of workers, and so it is also important to maintain the economy at full employment.