

SYNOPSIS OF

THE GREAT DECOUPLING

HARVARD BUSINESS REVIEW

AN INTERVIEW WITH THE AUTHORS OF THE SECOND MACHINE AGE

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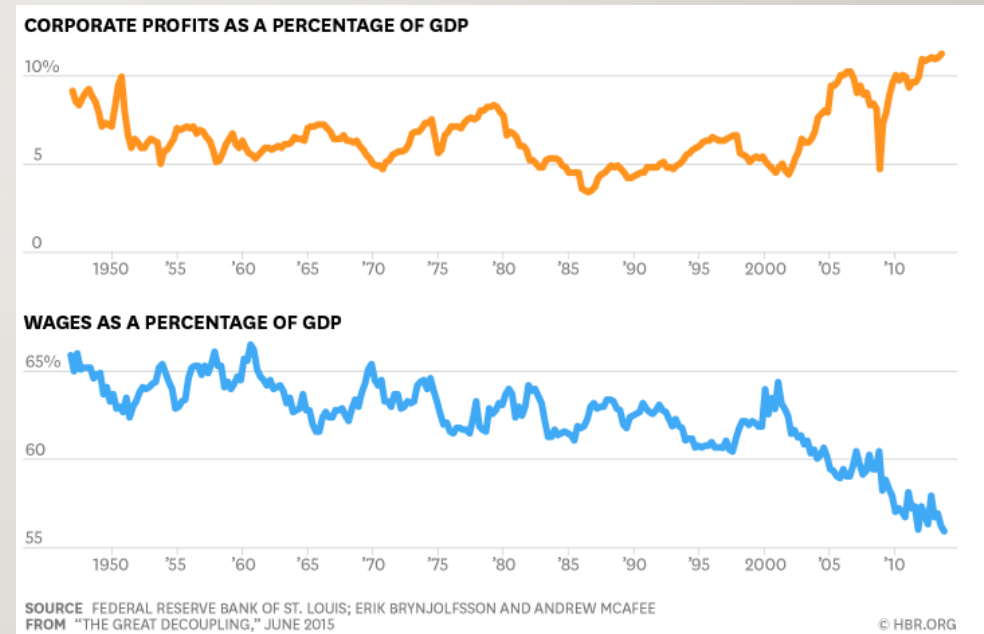


THE GREAT DECOUPLING: WHAT IS IT

- Impact of Digitization
- Disparity of income against growth
- Loss of middleclass
- Will it continue

IMPACT OF DIGITIZATION

- As Profits Climb Wages Plummet
- Corporate profits at their highest point since World War II.
- Labor's share of GDP had declined in 42 out of 59 countries.
- Companies shifted investment away from labor and toward capital.

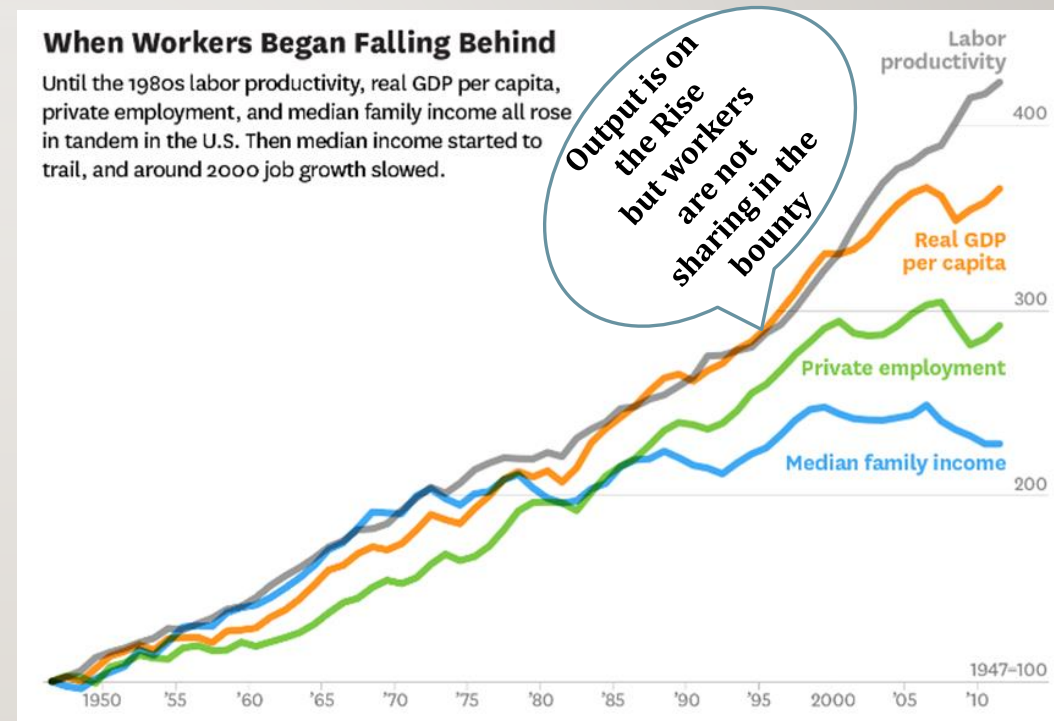


DISPARITY OF INCOME AGAINST GROWTH

Economic Scales - Out of Balance

Economic abundance as exemplified by **Per capita GDP & Productivity** is on upward trajectory

Median household Income and **No. of Job** prospects have faltered



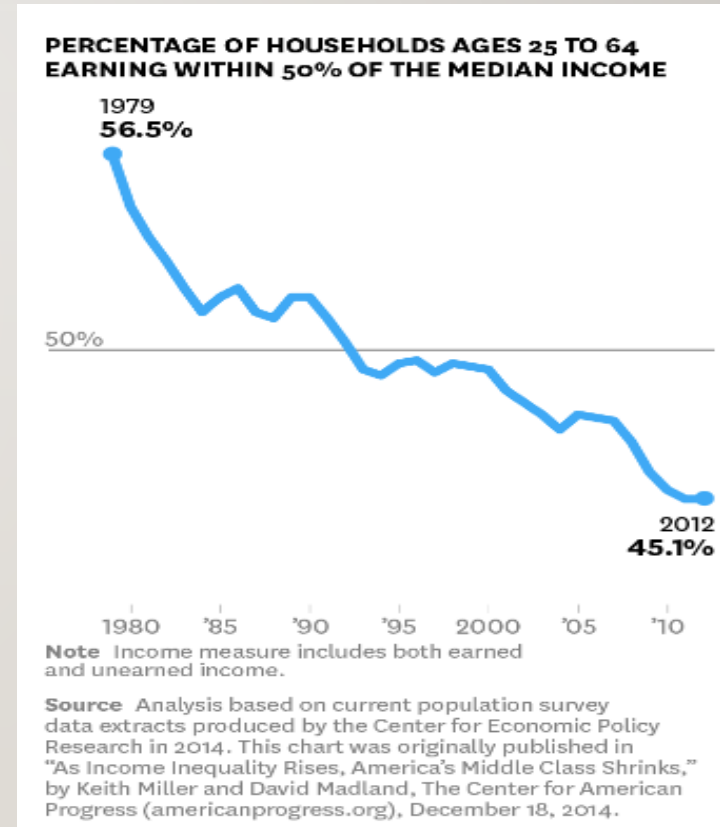
LOSS OF MIDDLE CLASS

Commonality among developed countries.

Skill biased technical change.

Job Focus shift to:
WHAT COMPUTERS ARE NOT GOOD AT

High End Creativity.
Interpersonal, emotional, social skills based
Mobility, dexterity biased
UBER



WILL IT CONTINUE

- No stopping to modernization
- Companies will invest more to optimize profit
- New avenues like delivery with drones by Amazon
- Use of robotics in software may eliminate more jobs in the IT sector
- Workers never stop to learn
- Provide adequate tools for the workers to adapt to new technologies
- Explore avenues to create more jobs
- Bring back manufacturing
- Invest in Infrastructure
- Basic Research over Applied Research