



Programme on
Innovation and Diffusion

Competition Policy and Green Growth

OECD, High-Level Symposium on Pro-Competitive Policies for a Sustainable Economy

January 23rd, 2023

John Van Reenen

Issues

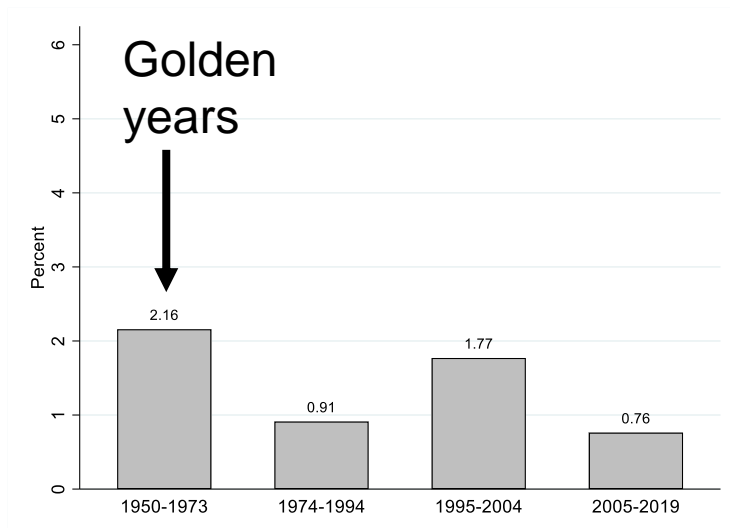
1. **Importance of productivity growth**
2. **Competition and Innovation**
3. **Competition Policy and competition**

I. Slowing productivity growth: Total Factor Productivity (TFP) growth since WW2, 1950-2019

A. United States

B. Euro Area

C. United Kingdom



Source: Teichgraber & Van Reenen (2022). Data publicly available at: <http://www.longtermproductivity.com/> Updated from Bergeaud, Cette, and Lecat (2016).

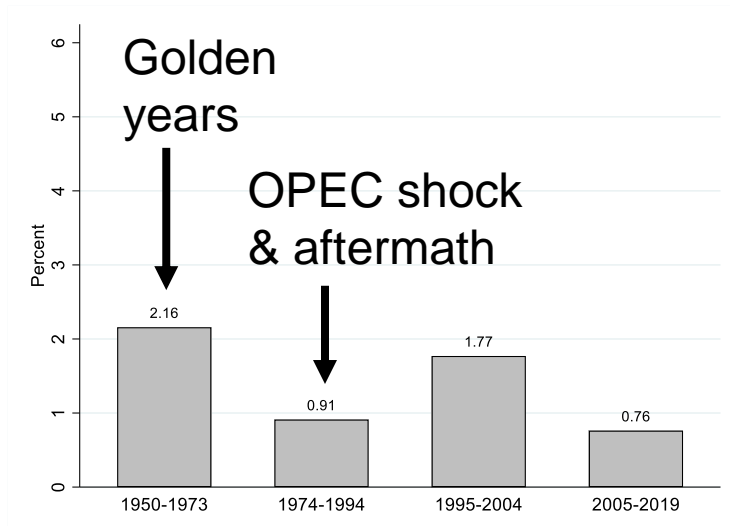
Notes: Average annual TFP growth in the US (panel A), Euro-area (panel B), and UK (panel C). Insufficient data for whole Euro-area so Germany, France, Italy, Spain, Netherlands, and Finland are used.

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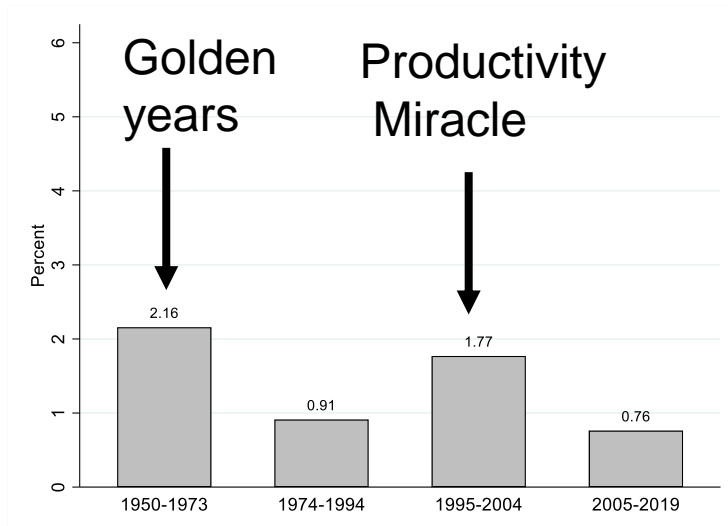
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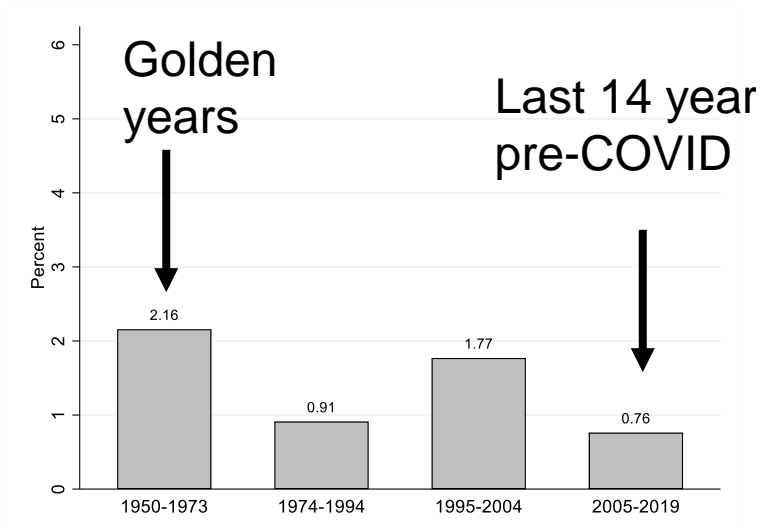
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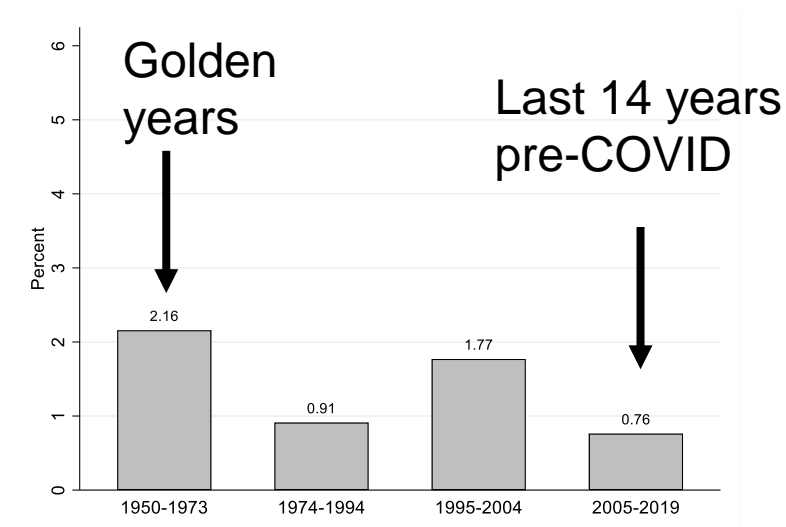


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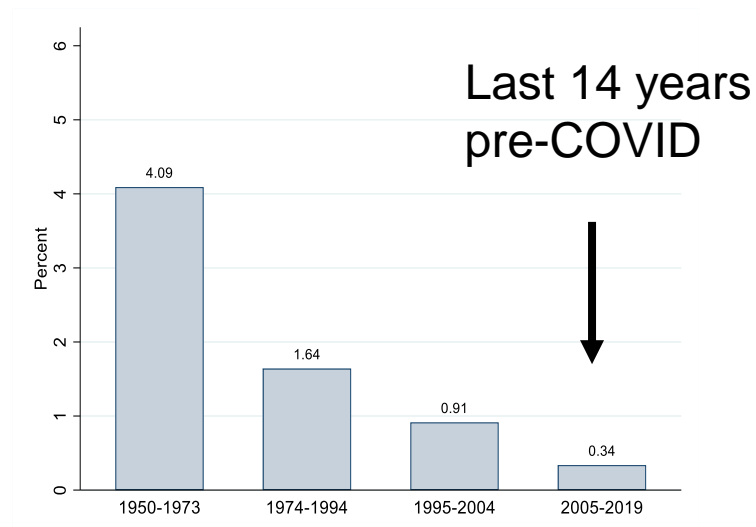
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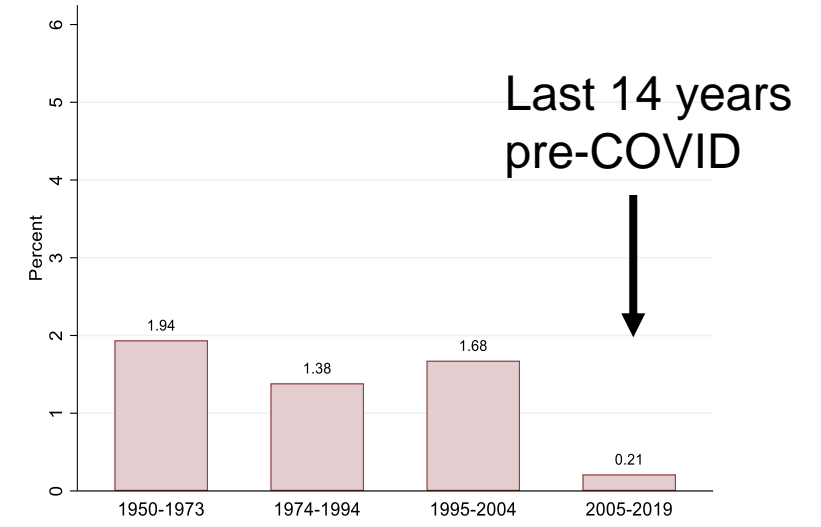
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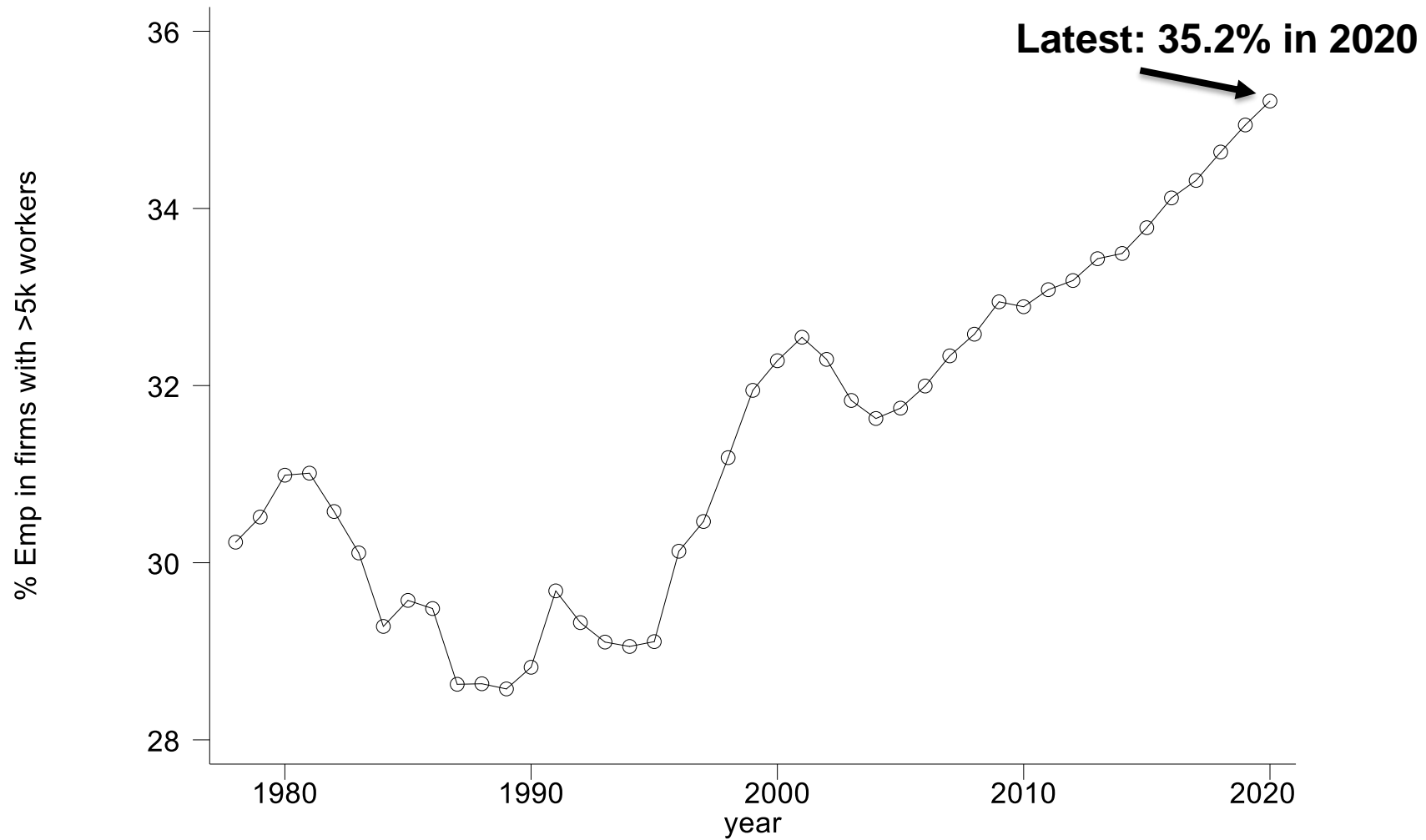
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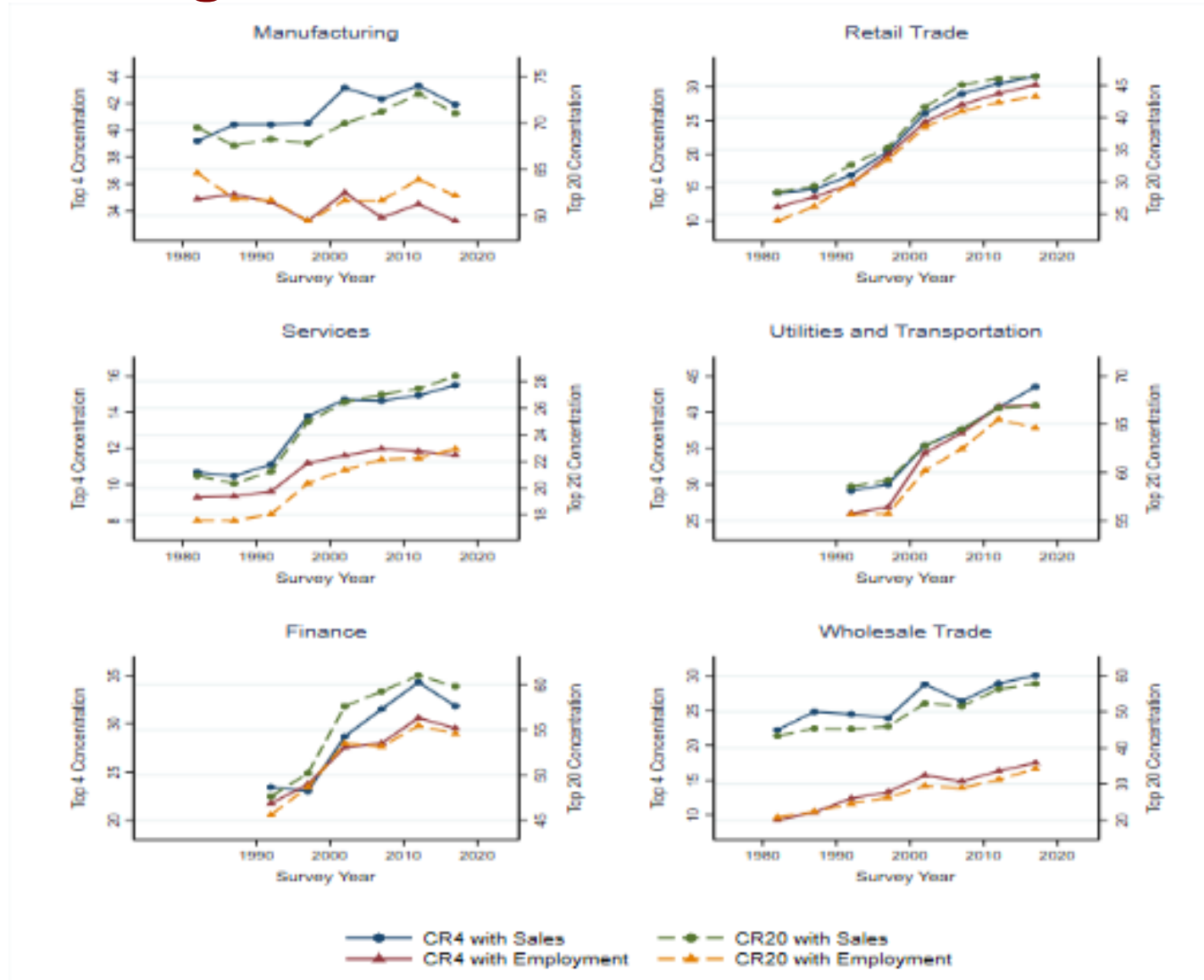
Since mid '80s, Big Firms get bigger: % domestic jobs in US firms with 5,000+ workers rose ~28% in '87 to ~35% in 2020



Source: US Business Dynamics Statistics (2022),

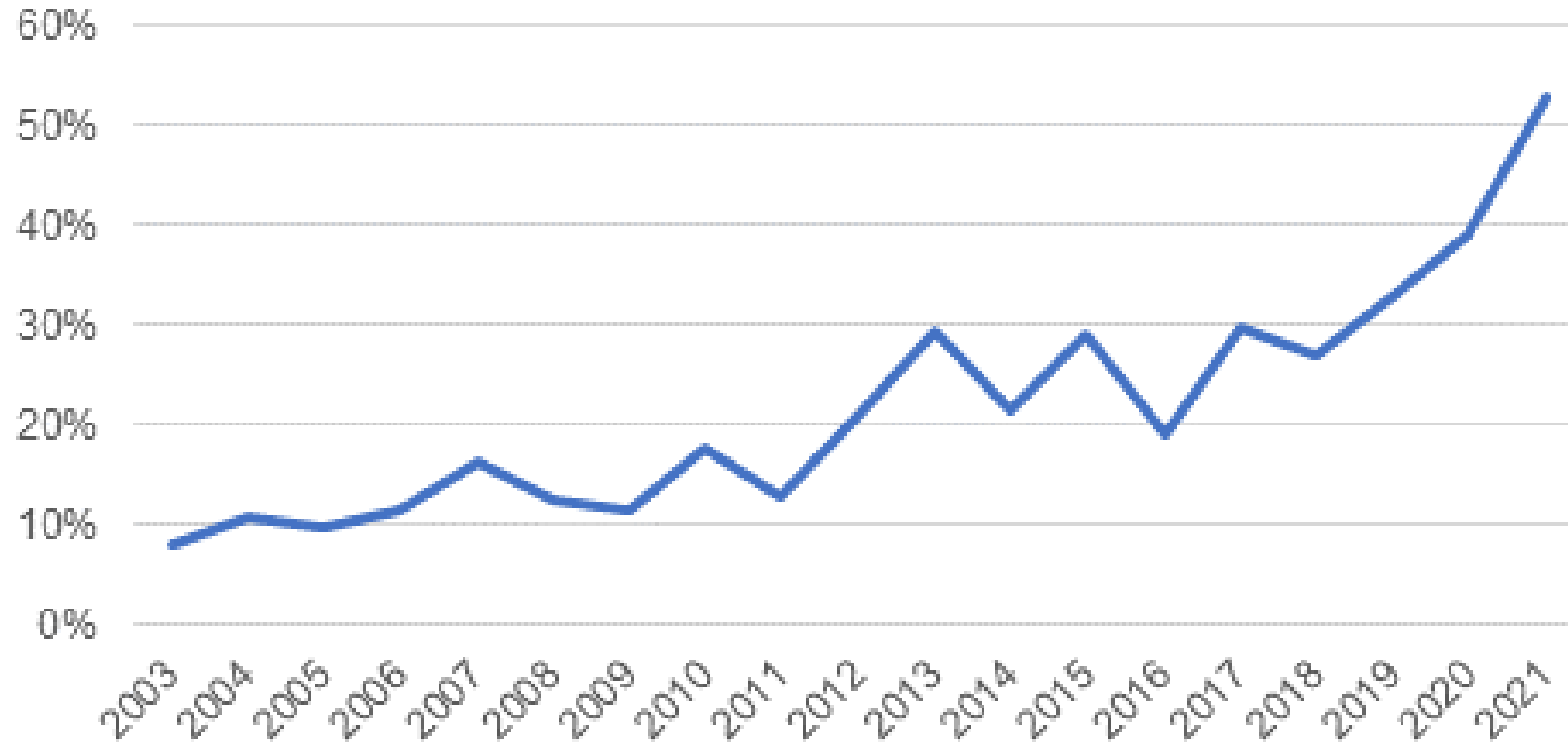
<https://www.census.gov/data/datasets/time-series/econ/bds/bds-datasets.html>

Growth of Superstar firm Economy: Increased US concentration in average four digit SIC, 1982-2017



Notes: Autor, Patterson and Van Reenen (2023) Figure plots the average employment and sales industrial concentration-ratios for the six Census sectors.

Proportion of Competition and Market Authority M&A Decisions where innovation concepts were discussed



Source: Carter et al (2023), POID Working Paper no. 66 <https://poid.lse.ac.uk/textonly/publications/downloads/poidwp066.pdf>. Innovation defined as in Gilbert and Greene (2015) to include words “Innovation”, “Research and Development” or “R&D”

Further reading

- “The World Management Survey at 18” (Scur, Sadun, Van Reenen, Lemos & Bloom, 2021), *Oxford Review of Economic Policy* <https://poid.lse.ac.uk/textonly/publications/downloads/poidwp002.pdf>
- World Management Survey <http://worldmanagementsurvey.org/>
- “Increasing Difference Between Firms” *Changing Market Structures and Implications for Monetary Policy*, Jackson Hole Symposium (Van Reenen, 2018) 19-65 <http://cep.lse.ac.uk/pubs/download/dp1576.pdf> [NYT](#) [NPR](#)
- LSE Growth Commission Final Report (Aghion et al, 2013) <http://www.lse.ac.uk/researchAndExpertise/units/growthCommission/documents/pdf/GCReportSummary.pdf>
- “Management as a Technology” (Bloom, Sadun and Van Reenen, 2017): <http://cep.lse.ac.uk/pubs/download/dp1433.pdf>
- “Do Fiscal Incentives increase innovation? An RD Design for R&D” (Antoine Dechezlepretre, Elias Einio, Ralf Martin, Kieu-Trang Nguyen and John Van Reenen), CEP Discussion Paper 1413 [Vox](#), <http://cep.lse.ac.uk/pubs/download/dp1413.pdf>