

# Human Side of Productivity

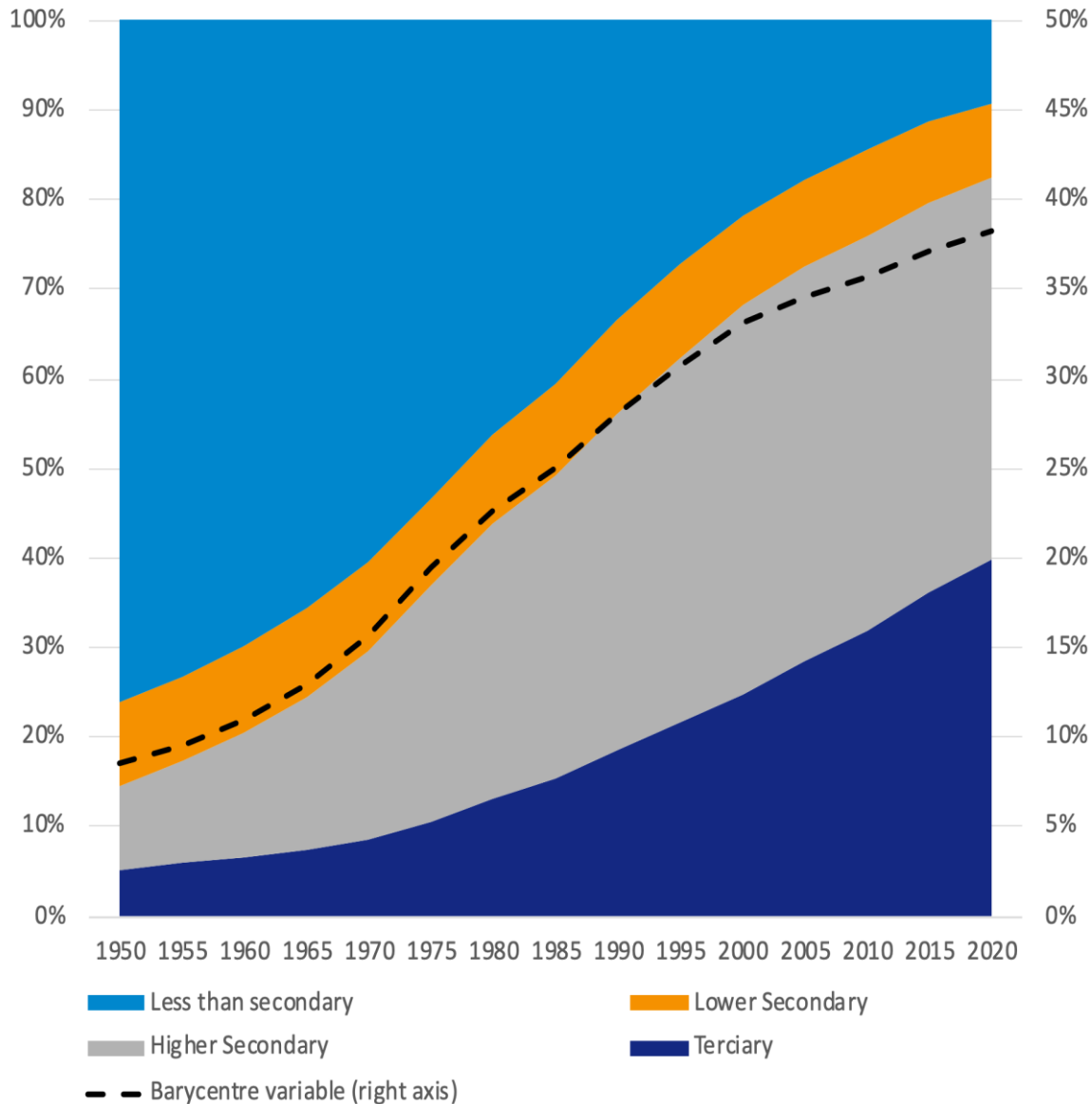
## 2021 GFP Annual Conference

Dimitris Mavridis & Vincent Aussilloux



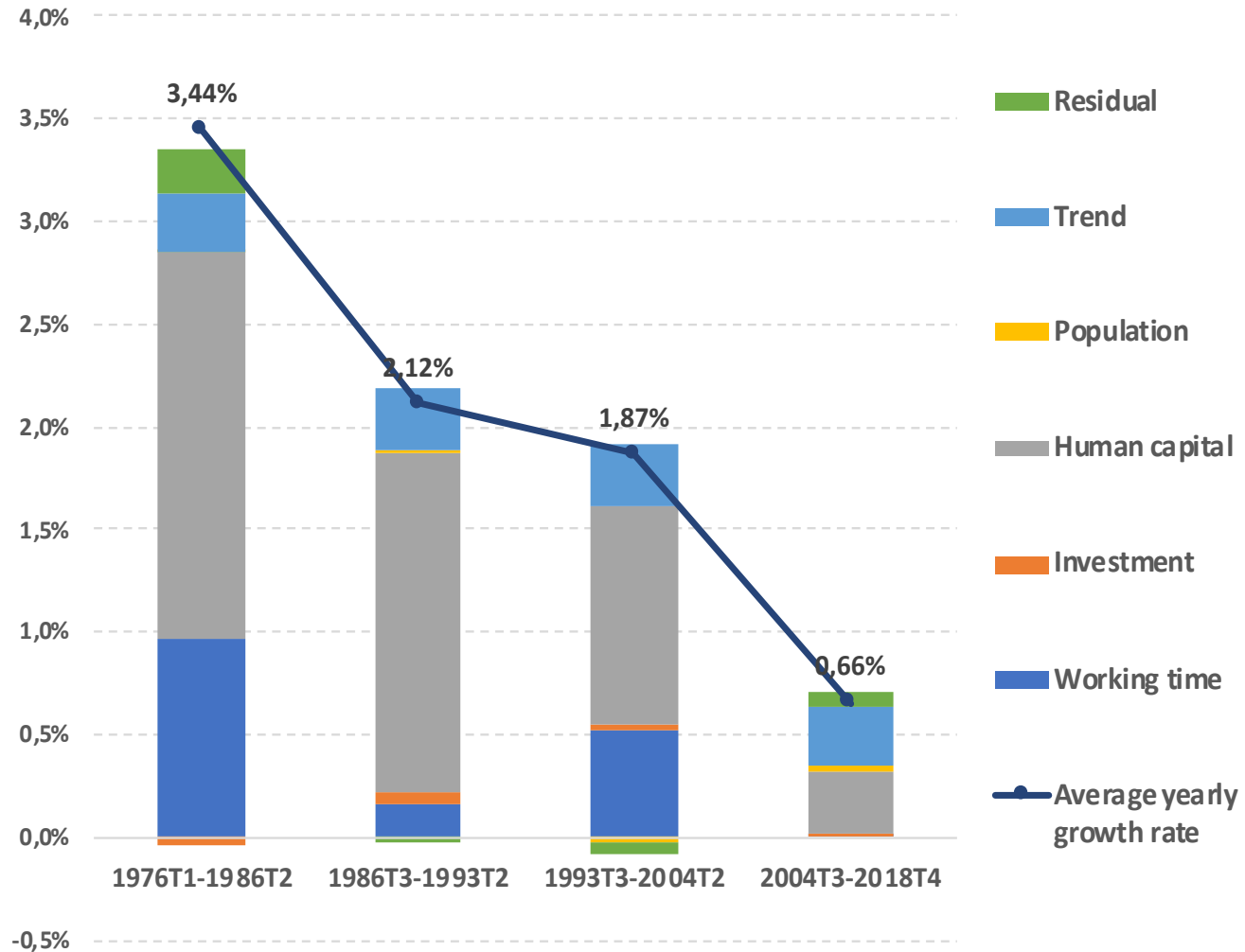
# 1. Slowdown in the growth of human capital

[Link to the report](#)



- Educational attainment of the adult population (25-64 years old)
- Human capital measured by the highest diploma attained
- Use of a barycentre to build an index of the skills level of the working population
- Slowdown in the rate of growth since the mid-90s
- 80% of new cohorts complete upper secondary schooling => reduced margin of progress in terms of additional years of schooling
- Main levers to increase human capital:
  - Quality
  - Lifelong learning

## 2. Growth accounting exercise



Basic growth accounting

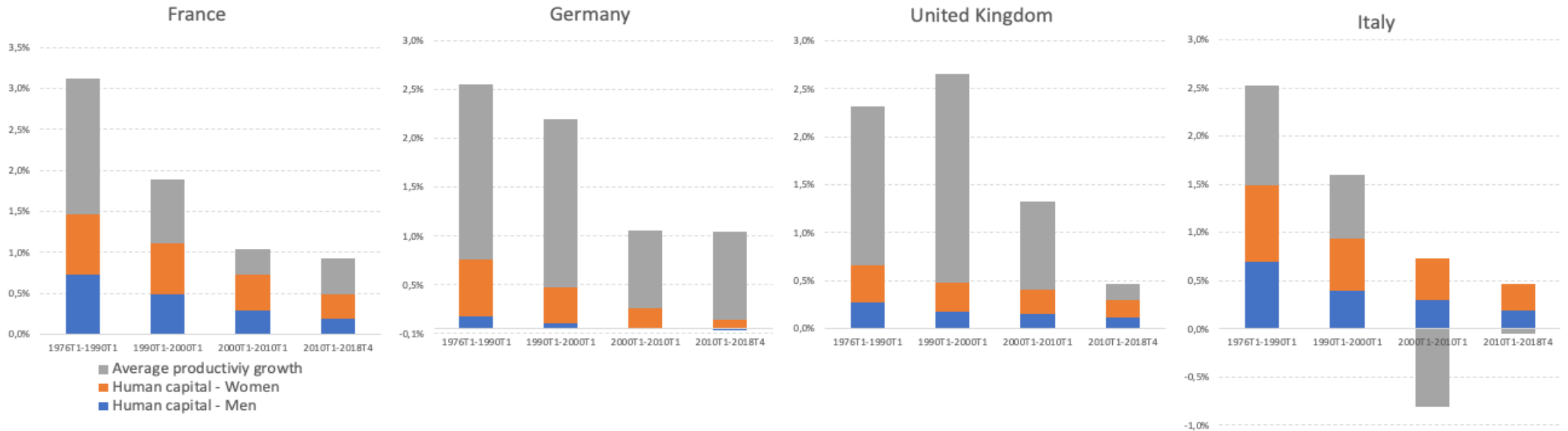
Augmented Solow with Human Capital

Quarterly data, France



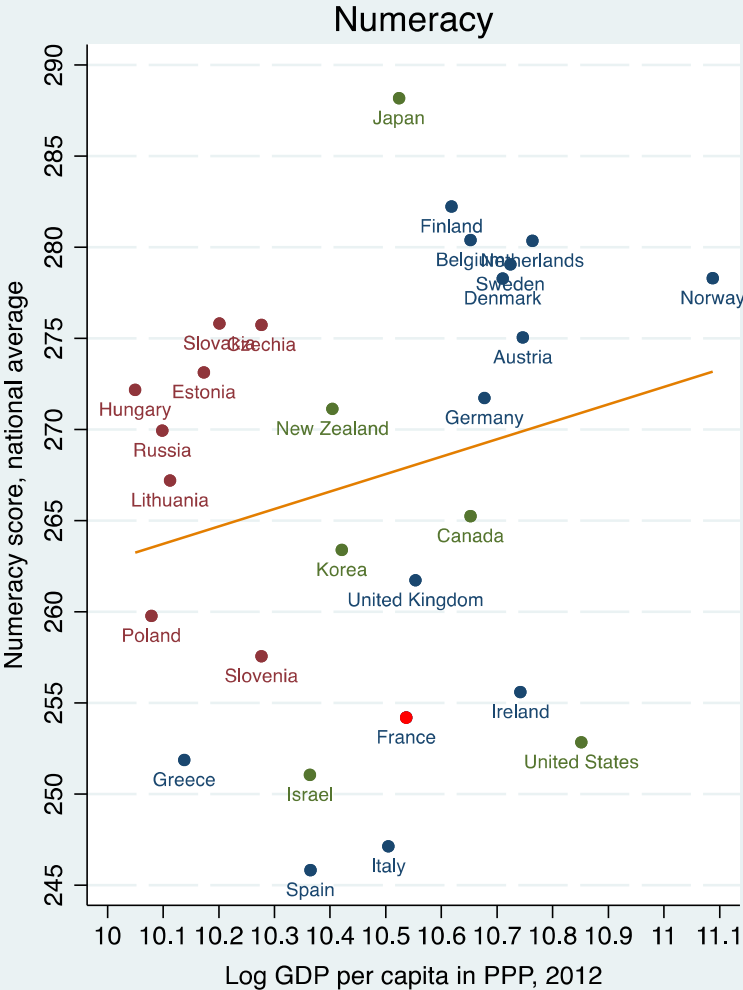
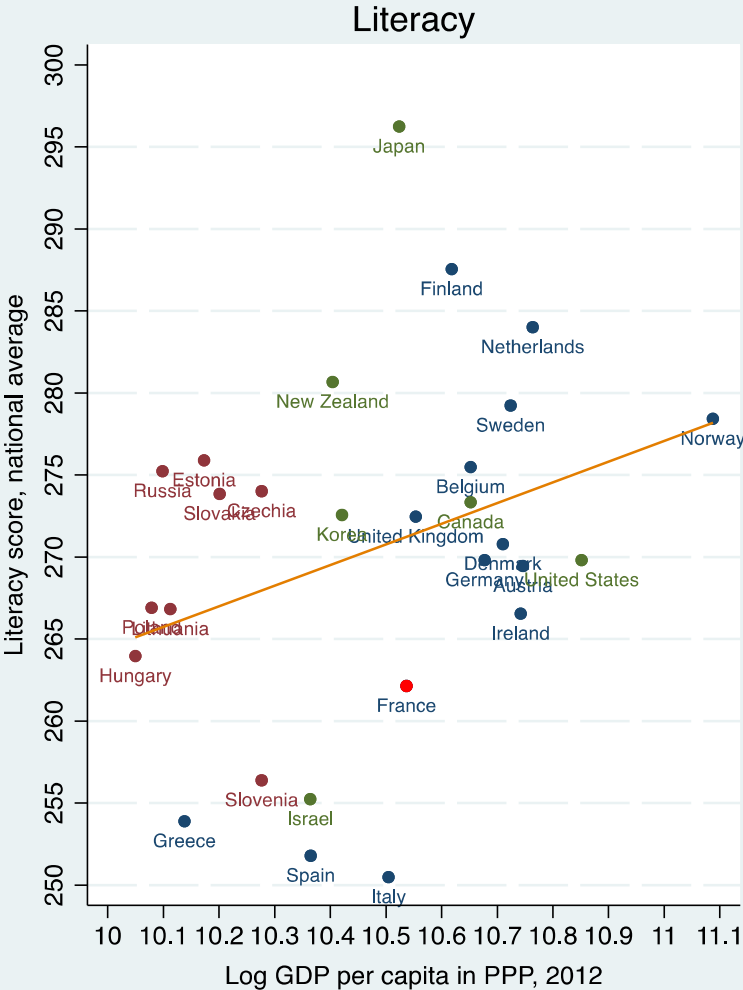
Slowdown in human capital growth rate accounts for 2/3 of productivity slowdown

### 3. Contribution of Human capital (years of schooling) to productivity growth



Human capital measured by the number of years of schooling

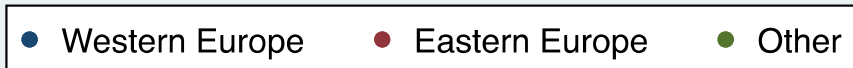
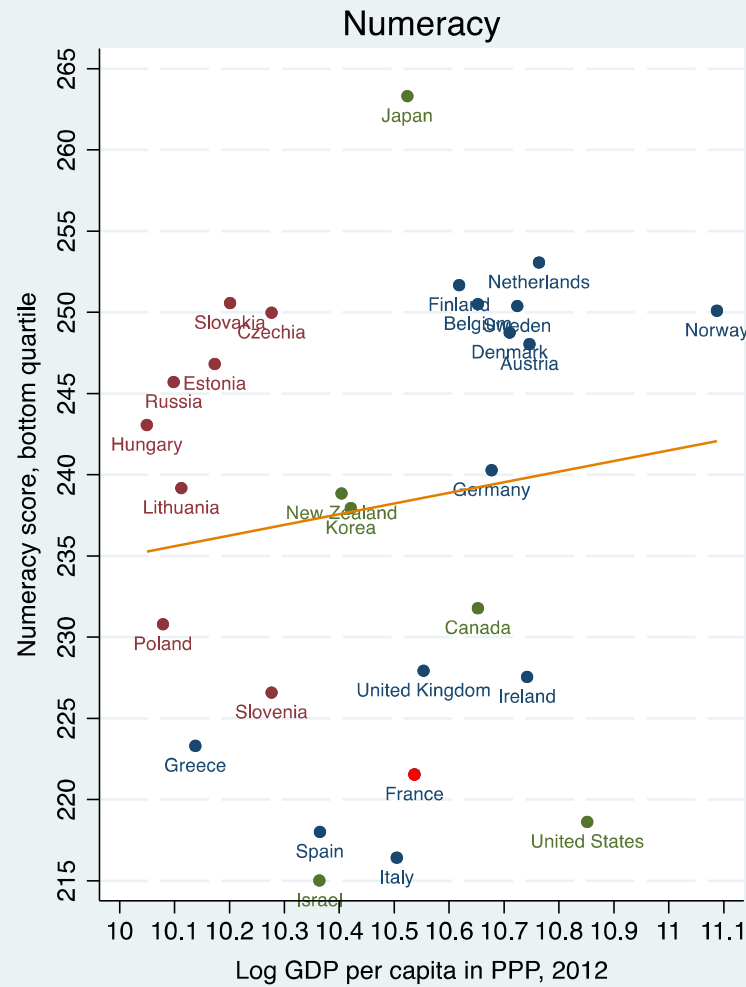
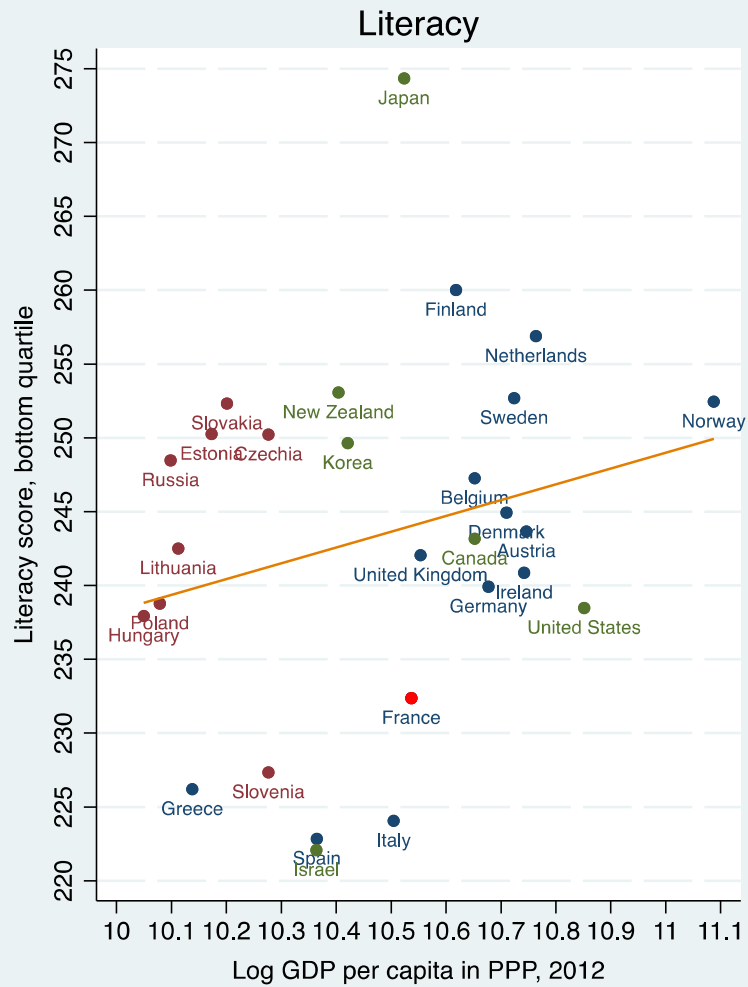
# 4. Skills level of the adult population in France - Piac data



Level of skills in France, adult population

Well below countries with similar level of income

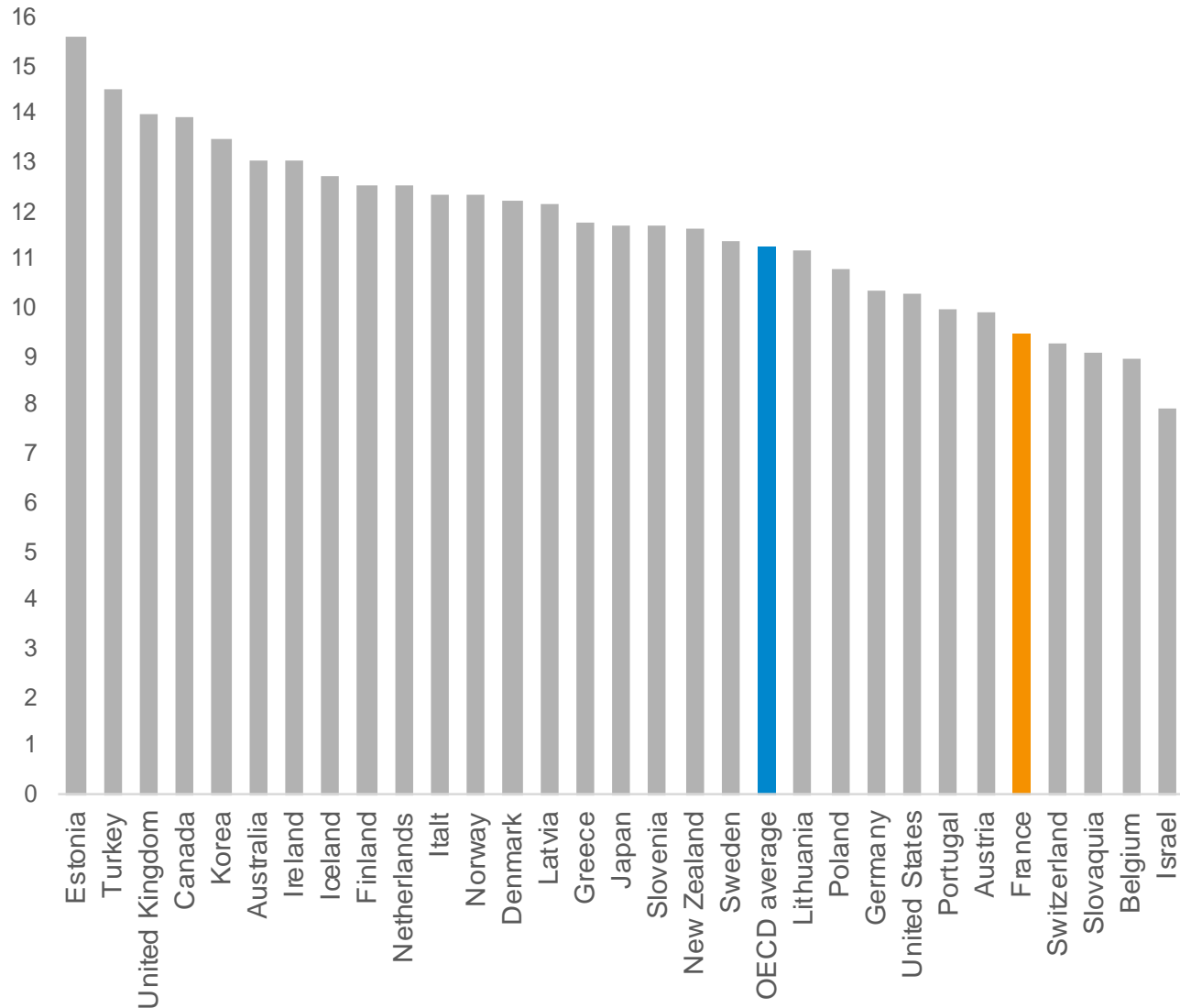
## 5. Bottom quartile of skills - Piac data



Level of skills in the bottom quartile is particularly below that of countries with similar level of income

Dispersion of skills slightly higher in France

## 6. Social mobility in skills is low - PISA data

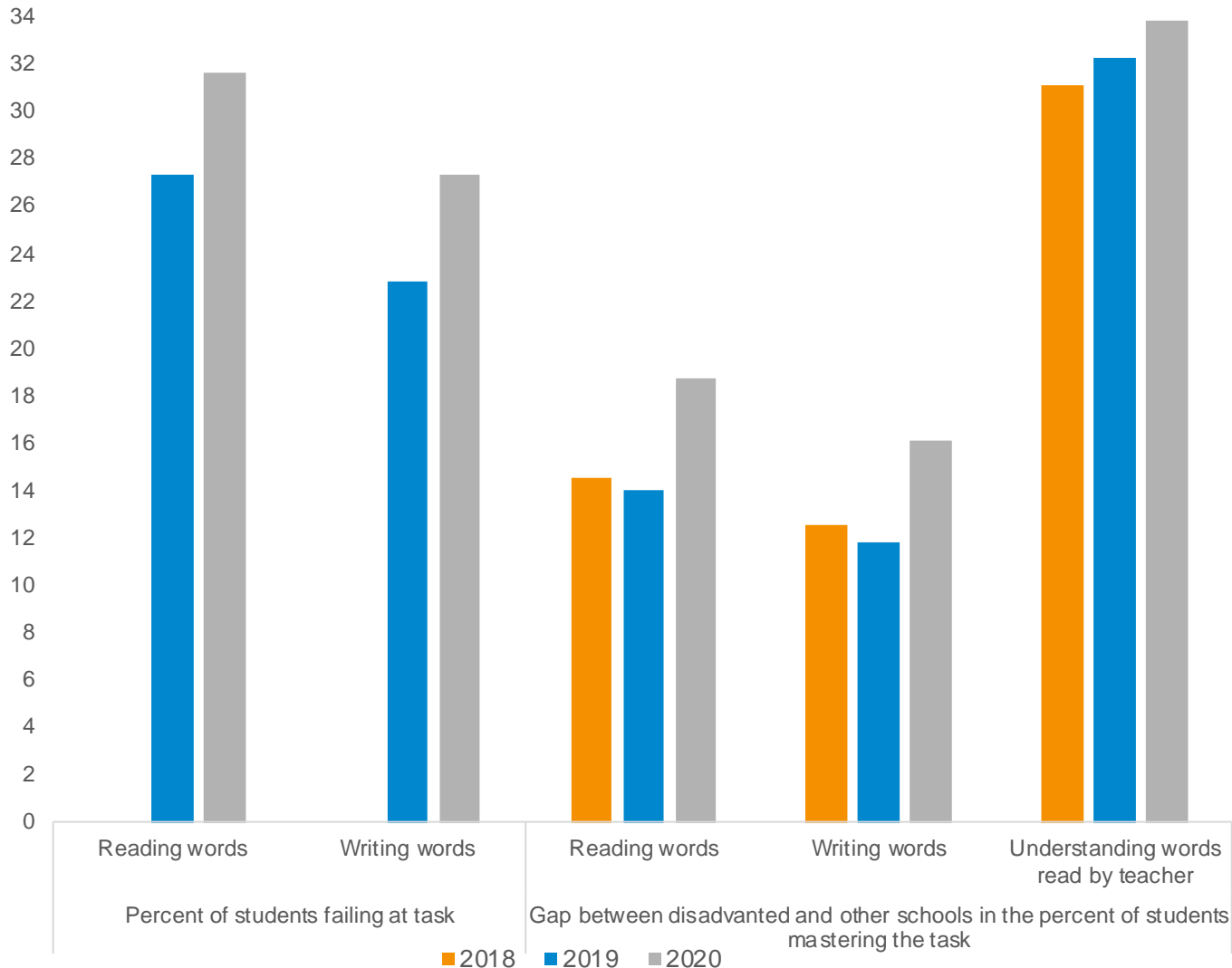


The share of resilient students in France is among the lowest of Europe

Resilient students are those from the bottom quartile of SOE background who score in the top quartile of grades at age 15



## 7. The 2020 Lockdown increased *learning inequalities*



- The *skills* gap between "priority" schools and the rest has increased in 2020, against a decreasing trend before the pandemic

→ Effect of lockdown

- France among countries with the shortest school lockdown and school closures in the world
- The learning gap and loss of learning is unlikely to be closed, unless specific corrective measures are taken
- This loss of skills may have long term consequences on productivity and skill inequalities

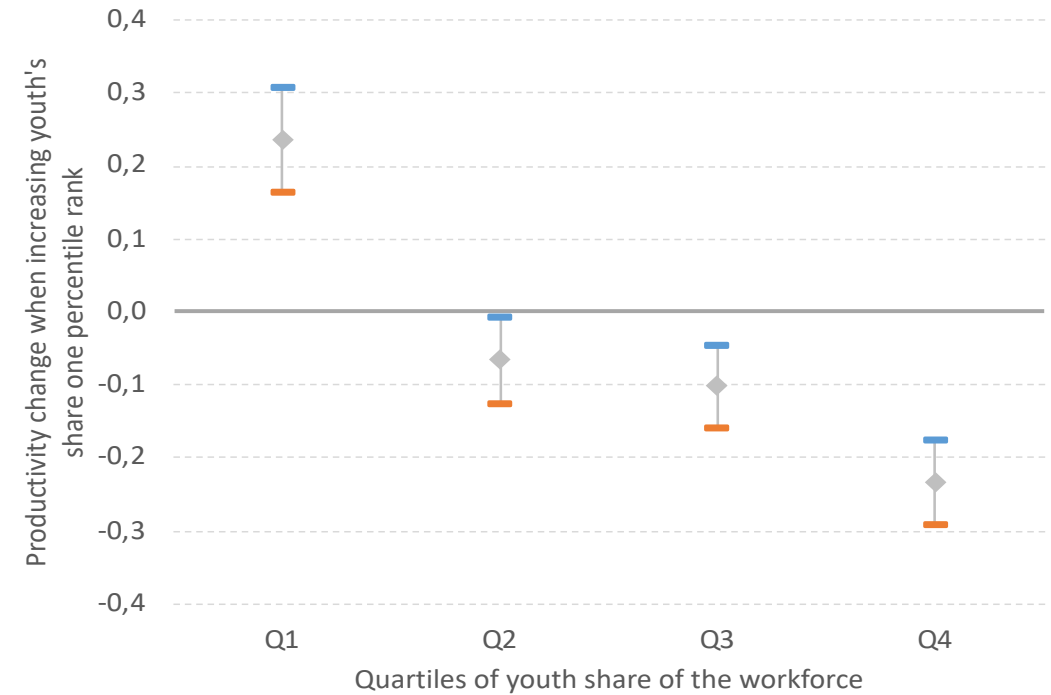
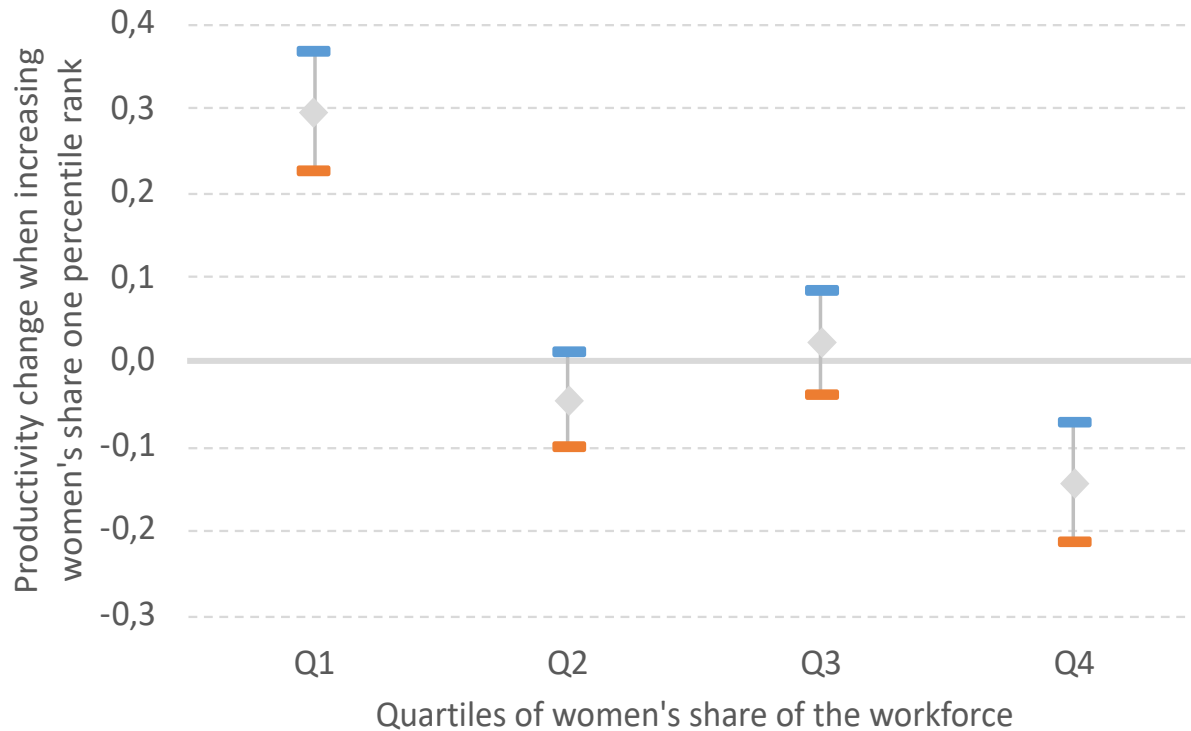


## 8. Workplace diversity and firm productivity

- Diversity defined as gender-age composition
- Regression of productivity rank on quartile of women's share of workforce and on quartile of young's share of workforce

⇒ **Diversity is associated with increased productivity**

⇒ **Substantial size of the effect but causal link yet to be confirmed**



# Conclusion

**Human capital is the main driver of productivity growth in France as in comparable countries**

## French particularities:

- Lower level of skills in the working-age population
- Lower level of skills than comparable countries among those with less educational attainment
- Higher dispersion of skills, and schooling system reduces less the initial inequalities compared to other countries

## Challenges:

- Reducing human capital inequalities at younger ages
- Address the lower levels of non-cognitive skills
- Reinforcing lifelong learning
- Targeting lifelong learning and professional training for the least qualified
- Address the missing learning due to school lockdowns to avoid a durable effect on productivity and inequalities

