

Tyler Cowen

The Future of Wages, Inequality, and Happiness

In my research I try to think through what I consider to be radically underexamined scenarios, which in some way deviate from the usual premises.

Here are four possibilities which I think deserves further consideration:

1. The developed economies are in an era of much slower growth for the next few decades. Imagine for instance if the United States grew at one percent or 1.5 percent, parts of Western Europe didn't grow at all and other parts contracted, and the economy of Japan were to continue along a path of contraction in absolute terms. How would this affect economic policy, social policy, and geopolitics? I analyze parts of this question in my book *The Great Stagnation*.
2. The developed economies are in an era of much higher inequality for the next few decades. I consider these scenarios in my book *Average is Over*.
3. Autocrats become considerably more aggressive. Since 1989 or arguably earlier, autocrats largely have been backing down or even giving up power, rather than pursuing military aggression and further domestic oppression. What would the world be like if only a few of today's leading autocrats were considerably more aggressive?
4. What if emerging economies stop growing and catch-up ends? One possibility here is that automation may check the possibilities for export-driven growth. What new growth models then would be available? What would today's emerging economies end up looking like twenty years down the road?