

EXCESOS REGULATORIOS Y EXCLUSIÓN SOCIAL

CONFERENCIA DE ANDREI SHLEIFER

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Aunque Andrei Shleifer reconoció la necesidad de una mejor regulación financiera, pasó de puntillas por ese tema para mantener la tesis de que se sigue necesitando reducir la regulación. Los principales puntos tratados fueron:

1. Las ideas de Friedman propiciaron los mejores 20 años de historia económica y prosperidad.
2. España está muy floja en las estadísticas de competitividad y muy fuerte en las trabas regulatorias. Las dos cosas están conectadas y es preciso ponerse manos a la obra en la desregulación si se quiere volver a ser competitivo.

Resumen de la charla

- The period of 30 years prior to the financial crisis has been one of the most remarkable period of economic history: unprecedented period of improvements: per capita income, increasing living standards (between 1980 – 2008), higher life expectancy (people live longer and healthier lives), sharp decline in poverty (the number of people who live with less than one dollar a day has been falling like a rock) and reduced infant mortality, increased educational attainment and more democracy (it has been dubbed as the age of democratization).
- What is responsible? This is the period during which the rich world and developing world have embraced free market policies, capitalization. It has been the Age of Milton Friedman.
- What are the most important policies?:
 1. Control of average inflation. Before 1980, the average was 20%, between 1980-2007; the average was below 5%.
 2. Reductions in tax rates: tariff rates, growth of world trade, liberalization of currency markets, exchange rates, massive programs of deregulation.
- The free market policies have been directly responsible for this progress, which has been tremendous in the developing world (China and India have 2,5 billion people).
- They say this embrace of free market policies is good for the rich, but not for the poor. On the contrary, stats confirm they have been good for the extreme poor.
- However, the faith of the people in free market policies is shaken in Europe due to its crisis, but not in India and China. Particularly in France there is a call for more government and regulation.
- Certainly in financial markets regulation has been lax. More prudent and sophisticated regulation is called for. The role of the State in this aspect is obvious: we need greater oversight.
- But apart from the financial markets, there is need of the opposite: more deregulation in other markets. There is inequitable regulation with enormous social costs.

- 15 years ago I started doing some research of measuring government regulation in various economies. It is called the “Doing Business Report” by the World Bank. Things such as product market regulation, bankruptcy, setting up business, transferring property...
- On quality of regulation, Spain is 49th of the world, pretty far down within the European countries. Leaders are UK, Germany and north European countries. Spain is roughly behind France and similar to Portugal.
- Spain performs particularly poorly in regulations of entry. It measures the cost of starting a small business. In New Zealand, Singapore, Canada, it takes a couple of days and 200 dollars to set up a company. In Spain it takes several months and a lot more money. It is ranked number 147th, shoulder to shoulder to African countries.
- Additionally, Spain is a heavy regulator of labour markets, it is the 3rd most regulated of the OCDE. Even compared to France and Italy, Spain is heavily regulated.
- Regulation of product markets has actually been growing in many areas of Spain due to local regulations.
- Spain has the highest growth of unit labour cost in the OECD (it is the cost to produce 1 euro of product). A McKinsey report adds the following conclusion: Spain has an extremely inefficient service sector.
- This is backwards: regulation of labour markets has developed to protect the insiders at the expense of the outsiders. Regulation works against part-time workers and people who do not have jobs.
- It is a matter of broadening the circle of people who could be part of economic growth.
- Spain does have tremendous growth potential. It produces goods and services and exports them very successfully. But to unleash the export potential, and to be an economy that creates jobs, Spain needs to have a much more liberal economy. The potential to generate millions of jobs comes from services, not only restaurants and hotels, also from insurance, healthcare services, etc.
- I claim a stronger cooperation between business and universities: it generates higher productivity and jobs.
- So for Spain I have a two-tier strategy:
 1. Liberalization of product sector and deregulation (regulations of entry to zero, massive deregulation of labour market and less income tax).
 2. Encouragement of high-growth sectors.
- Unlike neoclassic theories, unemployment can best be understand using the insider-outsider model proposed by Swedish economist Lindbeck, according to whom unemployment is the result of the discrimination barriers imposed to the people outside the job market by the people in the job market. Northern Europe has acted against this theory by reducing the cost of firing, the cost of regulation,

making it easy to start a business, etc. As a result, they have created a much more flexible economy whilst covering social insurance. There is, therefore, a distinction to be made between social insurance and social regulation. So “Yes” to social protection (we do not want people to be poor or have no access to healthcare) but it is not the same thing as the insider-outsider model (in which all the benefits of the state go to a small group of people). A transformation of the social contract should combine social insurance with greater inclusion of society into the economy.

- Regarding health, I advocate the introduction of fees in the University system and healthcare system, only for people who can afford them. This results in a more equitable system.

Notas como speaker

- Ponente denso, habló sentado, con un tono muy monótono a pesar de ser americano.
- A su favor, adaptó mucho la charla a España, lo que es un claro “plus”.

Transparency Vow

- El autor de este resumen no conoce al ponente ni mantiene relación con la Fundación FAES ni con el Partido Popular.

Sobre el ponente: Andrei Shleifer

- Economista, catedrático de Economía de la Universidad de Harvard.
- Ha recibido el John Bates Clark Medal en 1999, premio entregado al economista americano más prometedor por debajo de los 40 años, por sus trabajos en finanzas corporativas, economía de los mercados financieros (desviaciones sobre mercados eficientes) y economías de transición.
- Según el Research Papers in Economics (RePEc) es el economista más citado del mundo actualmente.

Videos

<http://www.que.es/gente/videos/shleifer-habla-campus-faes-sobre-147445.html>

Resumen FAES

http://www.fundacionfaes.org/es/andrei_shleifer_en_campus_faes_2011

FECHA CONFERENCIA – 3 de julio de 2011

DÓNDE – Hotel Hacienda Los Robles (Navacerrada, Madrid)

ASISTENTES – 80 personas aproximadamente (80% del aforo).