Investigating productivity-compensation decoupling across industries and income levels from 1997-2019.

# Introduction

What do I want to get across in the introduction:

* Labour productivity and labour compensation appear to have decoupled or delinked according to recent studies
  + UK:
    - Ciarli, Di Ubaldo, Savona 2021
    - Ciarli, Salgado, Savona 2018
    - Teichgraeber, Van Reenen 2021
  + US:
    - Bivens, Michel 2015
* However, what exactly is meant by productivity and compensation is extremely important to define.
  + Stansbury and Summers 2017 note the fact that gross value added per hour does not subtract depreciation – this could run into problems as depreciation, at least in the US, has risen in recent years, and so the size of income that could go to workers is overestimated.
  + Feldstein 2008, Stansbury and Summers 2017, and Pessoa and Van Reenen all comment on the importance of different compensation measures:
    - Differentiating between mean and median (S&S, P&VR)
    - Differentiating between wages and compensation (Feldstein + others)
  + Considerations on how exactly to account for inflation also lead to difficulties: do we adjust by output prices, which reflect the prices firms receive and can then pass on to workers, or do we adjust by retail prices, which reflects workers’ purchasing power? (Brill et al. 2017, S&S 2017, Feldstein 2008, P&VR)
  + Different methodologies are not wrong, but they tell you different things about the economy. As S&S 2017 point out, they answer different questions:
    - In this paper, I will be investigating both questions: how has labour share changed in more or less capital intensive industries, and how has worker purchasing power evolved