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Who benefits from the productivity gains associated with artificial intelligence?

The development of artificial intelligence (AI) is very likely to generate substantial productivity gains. The question of how these productivity gains will be used therefore arises. There are several possibilities:

- productivity gains that accrue to corporate shareholders and to those employees whose efficiency is enhanced by AI. In that case, unemployment, inequality and poverty will rise;
- productivity gains that drive down the prices of goods and services and raise the purchasing power of the population as a whole;
- productivity gains that are redistributed by governments to people on the lowest incomes, or to those whose jobs are destroyed by the introduction of AI and who need to reskill.

A combination of the second (lower prices) and the third (redistribution by governments) would be optimal; the capture of productivity gains by the beneficiaries of AI would have severe social consequences, but this is unfortunately what we are seeing in the United States.

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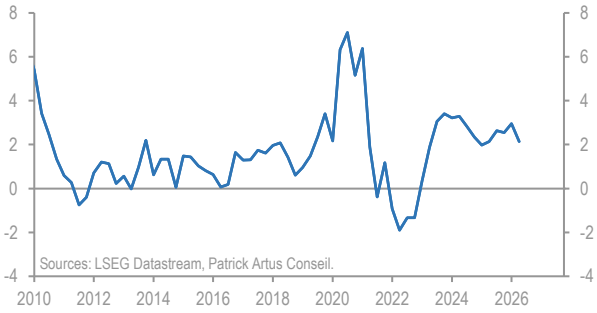
AI and productivity gains

It is very likely that **the development of AI will generate substantial productivity gains**, owing both to the greater efficiency of AI-assisted work and to the substitution of AI for labour. In the United States, where AI is spreading rapidly, there has been **an acceleration in labour productivity** since 2024 (**Charts 1A** and **1B**).

Chart 1A
United States : Real GDP and employment (Y/Y, %)



Chart 1B
United States: Productivity per hour worked in the business sector (Y/Y, %)



We consider here **how these larger productivity gains will be used.**

First possibility: capture of productivity gains by companies and by those employees whose efficiency is enhanced by AI

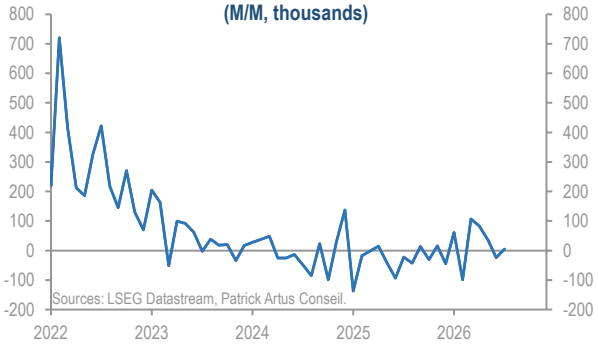
The first possibility is that the productivity gains benefit only:

- companies that develop or use AI;
- employees whose work efficiency is enhanced by AI;
- and not other employees.

The **consequences of the introduction of AI** would then be:

- **a rise in unemployment**, owing to job losses in the sectors where AI is substituted for labour (in the case of the United States, all sectors other than health and education, **Chart 2**);

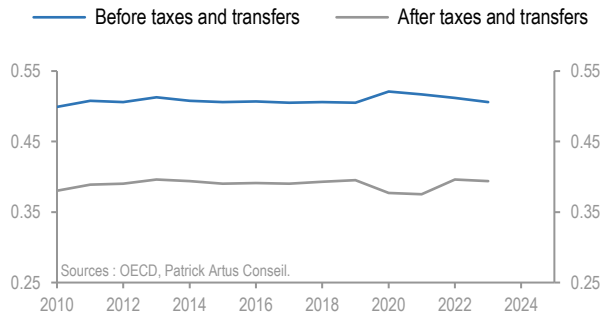
Chart 2
United States: Change in private payroll employment, excluding education and health services (M/M, thousands)



- **a rise in income and wealth inequality** (again in the case of the United States, **Charts 3A** and **3B**), since AI benefits only shareholders and those employees whose work is made more efficient by AI;

- a rise in poverty, driven by job losses caused by the introduction of AI in activities where AI and labour are substitutable (Chart 4).

Chart 3A
United States: Gini coefficients* of income inequalities before and after taxes and transfers



* Gini coefficient: 0 = complete equality; 1 = complete inequality

Chart 3B
United States: Share of household wealth held by the wealthiest households (as % of the total)

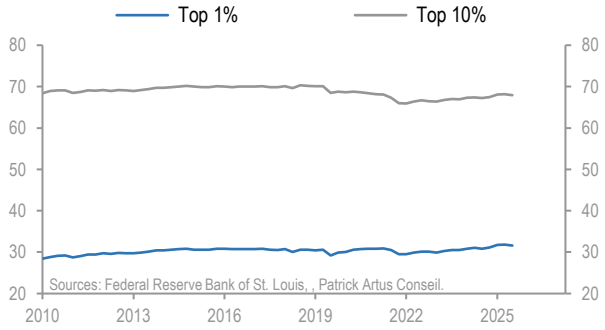
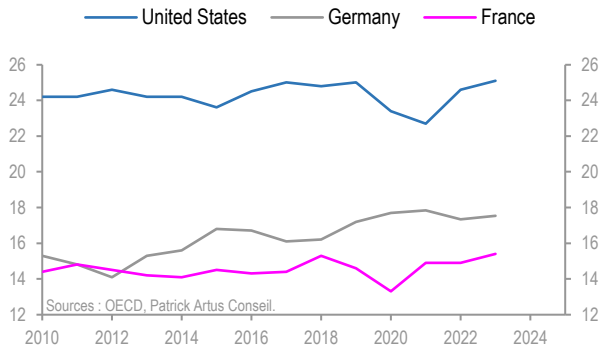


Chart 4
Poverty rate*



* Share of the population with an equivalised disposable income below 60% of the national median disposable income.

Second possibility: lower prices resulting from the diffusion of AI

The productivity gains delivered by AI would not be used to inflate corporate profits or the incomes of employees whose productivity is boosted by AI, but to drive down the prices of goods and services. There would then be a rise in the purchasing power of the population as a whole, regardless of the type of employment, and demand would be stimulated in parallel with supply.

If we examine:

- the profitability of US companies (Chart 5);
- and their profit share (Chart 6);

we find that in the United States, the productivity gains due to the diffusion of AI are increasing corporate profits and are not being passed on in the form of lower prices.

Chart 5
United States: Profits after tax and interest, before depreciation, of non-financial corporations (as % of GDP)

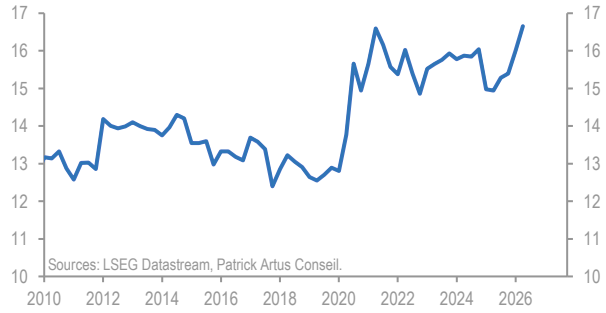


Chart 6
United States: Business sector profit margin*
(2010 Q1 = 100)



* Ratio of the value-added price deflator to unit labour costs, business sector.

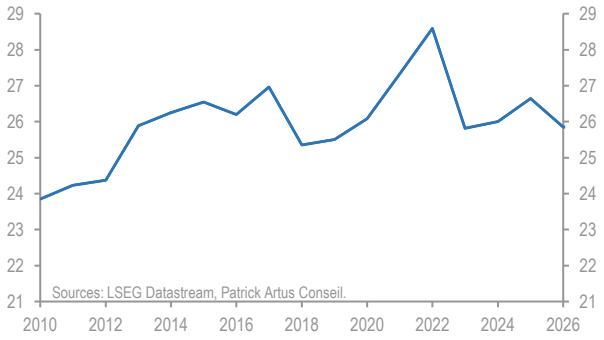
Third possibility: redistribution by the government

The third possibility is that the productivity gains made possible by AI are used by the government. **On the one hand, the additional profits and incomes would be taxed and, on the other, these new tax revenues would be redistributed**. This would make it possible to pass the productivity surplus on to:

- people on low incomes;
- people whose jobs are destroyed by AI and who need to train and reskill.

What we are seeing in the United States today is, on the contrary, **a fall in the tax-to-GDP ratio** since 2022 (**Chart 7**), which leaves no room for increased redistribution.

Chart 7
United States: Tax and social contributions (as % of GDP)



Summary: what would be the best use of the productivity gains made possible by AI?

Clearly, if the productivity gains made possible by AI were used to lower the prices of goods and services, and to increase tax revenue and finance redistributive policies, the introduction of AI would have only favourable effects:

- a rise in purchasing power;
- funding for an expanded training effort, targeted in particular at people whose jobs are threatened by the introduction of AI.

But if the productivity gains made possible by AI serve only to increase corporate profits and dividends, or the incomes of those employees whose work is made more efficient by AI, the resulting rise in unemployment, inequality and poverty would create a major social problem.

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