

## Wage-led Growth Strategies in Financialized Economies

Bokhyun Cho (Hanbat National University, Korea)

### Abstract

In most developed economies, the economic growth system has wage-led growth regime, in which the distribution for wage share is favorable to the increase in investment and profit rate, furthermore in economic growth. The developed economies, however, also have the structure of financialized economy that the principles of financial short-term revenue such as shareholder value dominates the managements of real economy. Thus in these economies, the policies of distribution for wage would be not easy to implement effectively.

This paper is aims to suggest the wage-led growth strategies to be effective under the financialized developed economies. The paper argues that financial system should be reformed to assist the real economy rather than dominate the real economy, the labor and the government policy. In order to the end, the pursuit of liquidity such as securitization, the speculative development of financial market, and the short-term portfolio investment strategies of institutional investors and so on should be regulated strongly.