

“Just Reallocated? Robots, Displacement and Job Quality”

by Liliana Cuccu and Vicente Royuela

Discussion by

Omar Rachedi

Esade Business School

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- Focuses on 2001–2017
- Leverages differences in robot penetration across industries
- **Conditional on being involuntarily dismissed**, robot penetration leads to:
 - ▶ New job with lower pay
 - ▶ New job with temporary contract
 - ▶ Affects duration and characteristics of job spells for up to 36 months

General Overview

- Very nice paper on topical issue
- Provides evidence of effects of robot installations for Spain
- Instrumenting strategy borrowed from Acemoglu and Restrepo
- Terrific fit for a conference on the Spanish economy!

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- Variation at local labor market \Rightarrow can add **sector-year fixed effects**
- **Compare two workers with similar characteristics which were dismissed by the same sector in the same year, and who reside in two local labor markets that differ in exposure to robots**

What's Special about Robots?

- Does it differ to be dismissed due to robots than due to any other reason?
- Would be interesting to provide more information on unconditional changes in wages, types of contract, etc. for dismissed workers
- More explicit comparison of effects of robots vs. foreign import competition
- Could also leverage variation in construction/house prices to compare with the effects of housing bust

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⇒ higher employment shares for AI-exposed occupations (especially for young/skilled)
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- Does it imply an increase in **labor earnings inequality/polarization** across local labor markets as a function of their exposure to automation?

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- Again, focus on local labor markets would help to address this question
- Extend Domenech Arumi and Vannutelli (2023) to evaluate heterogeneous effects as a function of robot penetration of local labor market

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