“Just Reallocated? Robots, Displacement and Job Quality”

by Liliana Cuccu and Vicente Royuela

Discussion by
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This Paper as AI Sees It
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This Paper in a Nutshell

- Studies the labor market implications of robot-driven job displacement.

- Uses "Muestra continua de vidas laborales" Panel extracted from Spanish Social Security records.


- 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.
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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!
Effects of Robots for Dismissed Workers

- Empirical setting leverages variation in sector-year exposure to robots

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- 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
The Good and the Bad of Robots

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- Cuccu and Royuela (2023) ⇒ robot-displaced workers transition to worse jobs

Good:
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- Extend Domenech Arumi and Vannutelli (2023) to evaluate heterogeneous effects as a function of robot penetration of local labor market.
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