

Title: Political Economy of Industrial Automation

Speaker: Jaideep Roy, University of Bath

Area: Economics

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Abstract:

We study an economy where aggregate automation, that displaces particular sections of the labor force based on their industry-specific skills, is determined through competitive politics. Workers receive fixed benefits based on their employment status in addition to wages. Labor institutions characterize the relative bias of these benefits across the employed and the displaced. We evaluate two types of politics across two types of economies vis a vis equilibrium automation, displacement and welfare. When it comes to politics we compare office-seeking versus ideological motivations where parties are either pro-worker or pro-capitalist. For economies we distinguish between high- versus low-skilled labor force. When the institutional bias toward the displaced is moderate to high, regardless of politics and the skill profile of the economy, automation displaces largely the middle sections of the skill spectrum, while both ends are relatively protected. The high-skilled workers are most vulnerable to automation when the economy is low-skilled and labor institutions either favor the employed or are mildly biased toward the displaced. This vulnerability is maximum under office-seeking politics. On the other hand, under the same labor institutions they are best protected if the economy is high-skilled. In contrast, the lowest skilled workers are most vulnerable to automation under both politics when the economy is high-skilled and labor institutions either favor the employed or are mildly biased toward the displaced. On the other hand, under the same labor institutions they are best protected if the economy is low-skilled and politics is office-seeking.

Speaker Profile:



Dr Jaideep Roy (MA Delhi School of Economics, PhD Univ. Carlos III de Madrid) is a Professor of Economics at the University of Bath, and a visiting fellow at SNU. His current research focuses on topics such as the Political Economy of Mass Media, Democracy and Group Formation, Automation and Elections, Psephology and Party Systems, Theories of Activism, and Network Design with Imperatives and Incentives.

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