

Discussion of “Artificial Intelligence, Automation and Work” by Acemoglu and Restrepo

Ted To

US Bureau of Labor Statistics

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Acemoglu-Restrepo framework

Simplified model based on their forthcoming *AER*.

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Very nice framework that gets at many key points:

- ▶ job displacement due to automation with important countervailing effects and
- ▶ importantly, the idea that new tasks emerge to replace tasks that have become obsolete.

Inefficiencies

- ▶ **Frictions**

 - Slow transitions

 - Skills mismatch

- ▶ **Excessive automation**

 - Subsidies to capital

 - Labor market frictions that imply wages higher than socially optimal

- ▶ **Slow creation of new tasks**

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“There will be fewer and fewer jobs that a robot cannot do better.”
- ▶ Recent book by Martin Ford, *Rise of the Robots: Technology and the Threat of a Jobless Future*
Advocates a redistributive tax.

The case for alarmism

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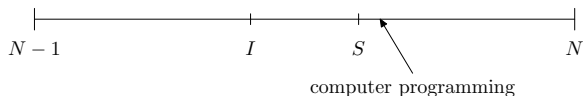
The difficulty in coming up with good contemporary examples seems like a problem for the “new tasks” argument, especially at the low end of the skill spectrum.

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In the US, a large fraction of the population does $[I, S]$ tasks.