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VoxEU: Don't blame it on the machines: Robots and employment in Europe

Opinion polls reveal that Europeans are greatly concerned about the economic consequences of technology. Combining industry-level data on employment with data on robot adoption, we find that robot use is linked to a small but significant increase in employment, writes David Klenert, Enrique Fernández-Macías and José-Ignacio Antón for VoxEU



Robots and Employment in Europe

In the last couple of decades, the Digital Revolution has unleashed rapid progress in many advanced technologies such as artificial intelligence and robotics. Especially in the aftermath of the Great Recession, this has sparked an intense debate on the future of work, both in academic circles and amongst the general public. In this debate, the image of robots replacing workers – most notably, low-skilled workers – is a recurring theme. For instance, according to a recent Eurobarometer survey, 72% of Europeans believe that "robots and artificial intelligence steal

Article | 5 March 2020

peoples' jobs" (European Commission 2017). This column summarises the main findings of our recent study analysing the effect of industrial robots on total and low-skill employment, using more up-to-date data on robots and employment and relaxing some of the assumptions of earlier studies.

A key quote from the article:

We found no evidence that industrial robots have destroyed jobs or reduced the employment share of low-skill workers in Europe in recent years. In fact, robot adoption tends to be positively associated with aggregate employment, although the relationship is small compared to other factors affecting European employment in recent years. This has important implications for policy. Blaming robots – or in a broader sense, automation – for recent troubling developments in European labour markets, such as rising wage inequality or the polarisation of employment opportunities, may shift public attention from other, more prominent causes such as labour market deregulation, the weakening of collective bargaining structures or a general lack of public spending (Mishel and Bivens 2017, Krugman 2019). The obsessive focus on robots and automation in the recent debates on the future of work may have also contributed to unjustified feelings of economic anxiety and fatalism, potentially damaging the political debate. Finally, our findings also suggest that recent policy proposals, such as a specific tax on robots, might in fact be ineffective for its own purposes and counterproductive in other ways since robot use is associated with increased productivity.

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Article | 5 March 2020