Risk of technological unemployment and support for redistributive policies

Thursday, 28 March 2019, 2 PM
Aula Kessler, Palazzo di Sociologia, Via G. Verdi 26, Trento.

Speaker:
Stefano Sacchi – National Institute for the Analysis of Public Policies, INAPP

Discussants:
Simone Virdia – University of Trento
Stefano Benincasa – University of Trento

Abstract
In recent years, the economic literature has highlighted the rising employment risks related to technological change. On the comparative political economy side, exposure to labor market risks has been investigated as a source of preferences for redistribution, but technological change has not been so far framed as a distinctive risk. In this paper, we argue that occupational risk related to technological change can be a relevant driver for preferences for redistribution, and in particular for support for social policies geared at protecting workers from lack of income. We test our hypothesis on Italy, using data from the 8th Round of the European Social Survey, including unique data on support for minimum income schemes (GMI) alongside universal basic income (UBI), and a measure of subjective (perceived) risk of technological unemployment alongside an objective one based on tasks substitutability (the RTI introduced by Autor and Dorn in 2013).

Our results show that objective exposure to automation is only lightly correlated with the perceived risk of technological unemployment, and that higher levels of RTI significantly correlate with support for some income protection measure, most notably GMI as opposed to UBI. Thus exposure to the risk of technological unemployment is a significant determinant of support for means-tested, conditional measures, but this is not necessarily the case with unconditional measures such as a universal basic income.

The paper is co-authored with Dario Guarascio (LUISS University) and Silvia Vannutelli (Boston University).