Automation, Career Values, and Political Preferences

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Abstract:

Recently, there has been much evidence linking economic shocks in the form of automation to employment and wage outcomes, as well as political outcomes. In this paper, we try to understand the mechanisms behind these effects. In particular, we go beyond current worker outcomes by introducing a new measure of future career prospects. We show that automation does not only affect current wages, but that occupations also differ in the degree to which workers' future career is affected by automation, as automation affects both wages in jobs that workers might aspire to move into, and the likelihood of different career transitions. Moreover, the labor market effects of automation differ by demographic group and local area characteristics. We then demonstrate that these patterns of heterogeneity in the impact of automation align with shifts in voter preference towards Donald Trump in the 2016 election -- with negative impacts predicting a shift in preference towards Trump.