



**Title:** TECHNOLOGICAL CHANGE AND WAGE INEQUALITY IN SPAIN

**Acronym:** TECHINEQ

**Project leader:** JUAN GABRIEL RODRÍGUEZ

**Host organisation:** UNIVERSIDAD COMPLUTENSE DE MADRID

**Main purpose of the project:** Technological advances significantly increase economic progress and welfare but have important disruptive effects on employment. We measure how technological change is affecting inequality in Spain, which channel –capital deepening, automation, AI, or market power–, is more important, and how different types of workers are being affected differently by technology.

**Design/methodology/approach:** After grouping workers by socio-demographic characteristics, we estimate a benchmark model in which the change in the average wage of each group is related to technological progress, globalization, and institutions. We then measure factor contributions to compare technological channels and study the effects by type of worker.

**Potential results:** Relationship between inequality and technological progress in Spain, transmission channels and effects by gender, educational level, and region of work. It is also expected to find which factor -technological progress, globalization, or institutions- is more important in explaining the evolution of inequality in Spain during the last decades.

**Social relevance of the research:** With inequality rising sharply since the 1990s (fifth most unequal country in the EU-27 before the pandemic) and 70% of the population believing that current jobs will be automated in the next 15 years, Spanish workers and public opinion may come to reject technological progress across the board.

**Originality/value of the project:** A hybrid-micro strategy that distinguishes between three different technologies (capital deepening, automation, and AI) to estimate for the first time the effects of technological change on inequality for Spain, and compare the contributions to inequality of technological progress, globalization, and institutions, with the total factor effect decomposed by personal characteristics.