Artificial Intelligence in the Knowledge Economy

Enrique Ide & Eduard Talamàs
IESE Barcelona

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Monetary policy and structural changes in the labor market
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AI agents are coming

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Implications for the labor market?

AI is a fundamentally new automation technology

	Codifiable	Non-Codifiable
Manual		
Cognitive		**AI**

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Cognitive	Enterprise Software	**AI**

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AI's scalability $\rightarrow$ Reorganization

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"The Impact of AI on Global Knowledge Work" JME 2026.

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"The Turing Valley" working paper

Example: Impact of AI on Global Knowledge Work

Stylized facts:

1. Offshoring is increasingly about services.
2. AI agents can increasingly automate services.
3. Most AI-relevant compute is located in advanced economies (USA).

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   Lower labor income inequality, but also lower output.

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2. Global restriction on AI autonomy:
   Lower labor income inequality, but also lower output.
3. Meaningful autonomy regulation available only to countries where compute is located.

Conclusion

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$$\text{AI's scalability} \rightarrow \text{Reorganization}$$