

**IMF Working Paper**

Institute for Capacity Development

**Technological Progress, Artificial Intelligence, and Inclusive Growth****Prepared by Anton Korinek (University of Virginia), Martin Schindler (IMF), and Joseph E. Stiglitz (Columbia University)****Authorized for distribution by Valerie Cerra<sup>1</sup>**

June 2021

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**Abstract**

Advances in artificial intelligence and automation have the potential to be labor-saving and to increase inequality and poverty around the globe. They also give rise to winner-takes-all dynamics that advantage highly skilled individuals and countries that are at the forefront of technological progress. We analyze the economic forces behind these developments and delineate domestic economic policies to mitigate the adverse effects while leveraging the potential gains from technological advances. We also propose reforms to the global system of governance that make the benefits of advances in artificial intelligence more inclusive.

**JEL Classification Numbers:** E0, O1, O3**Keywords:** Artificial Intelligence; Inclusive Growth; Economic Development**Authors' E-Mail Addresses:** [anton@korinek.com](mailto:anton@korinek.com), [mschindler@imf.org](mailto:mschindler@imf.org), [jes322@gsb.columbia.edu](mailto:jes322@gsb.columbia.edu)

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<sup>1</sup>This paper is an extended version of a chapter that has been accepted for publication by Oxford University Press in the forthcoming book on “How to Achieve Inclusive Growth,” edited by V. Cerra, B. Eichengreen, A. El-Ganainy, and M. Schindler due for publication in 2021. Parts of this paper subsume ideas presented in previous work by Korinek and Stiglitz (2021a) under the title “Artificial Intelligence, Globalization, and Strategies for Economic Development.” We thank Avital Balwit, Andy Berg, Valerie Cerra, Sharmini Coorey, Romain Duval, Barry Eichengreen, Katya Klinova, Nikola Spatafora, Jeromin Zettelmeyer, participants in the IMF IG seminar series, and numerous IMF colleagues for insightful comments and suggestions; David Autor, Adrian Peralta-Alva and Agustin Roitman for helpful data and charts; and Jaime Sarmiento for excellent research assistance. Financial support from the Institute for New Economic Thinking is gratefully acknowledged.

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