



HELLENIC REPUBLIC  
National and Kapodistrian  
University of Athens  
DEPARTMENT OF ECONOMICS

## Research Seminar Series in Economic Sciences, 2024 - 2025

**Speaker:** Dr. Christos A. Makridis, *Visiting Professor | Institute for the Future, University of Nicosia*



**Title:** “The Local Effects of Artificial Intelligence Labor Investments: Evidence from the Municipal Bond Market”

**Date & Time:** Wednesday, October 16th, 2024, 14:00 - 15:30

**Place:** Grypario Megaro (Sofokleous 1) | 4<sup>th</sup> floor | Lecture Hall “Kosmas Psychopedis” (416)

**Url:** [https://www.econ.uoa.gr/ereynitika\\_seminaria\\_research\\_seminars/](https://www.econ.uoa.gr/ereynitika_seminaria_research_seminars/)

### **Abstract:**

We investigate the economic impact of artificial intelligence (AI) technologies on municipalities by leveraging spatial variation in labor investments in AI. Employing an instrumental variable analysis, difference-in-differences regressions and an entropy balancing approach, we identify causal effects while controlling for economic conditions and demographics. We find that increases in labor investments in AI within a county lead to lower yields, something that prompts municipalities to issue longer-term bonds. Qualitatively similar results that exploit the introduction of ChatGPT, further support causality. Differential effects on economic activity and government revenues, due to labor investments in AI within a region, suggest an economic revitalization channel.

**Organizers:** Dimitris Kenourgios, *Professor*  
George Dotsis, *Assoc. Professor*  
Frago Kourandi, *Assist. Professor*

Thank you.



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