Impact of Artificial Intelligence on the Labour Market and Necessary Global and National Actions

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ILO: Who we are

UN Agency devoted to advancing decent work opportunities for women and men

187 member states

Brings together Governments, employers and workers

The home of social dialogue, international labour standards and the Decent Work Agenda
IMPACT OF ARTIFICIAL INTELLIGENCE ON THE GLOBAL LABOUR MARKET
Widespread fear of AI’s disruption of the labour market

- Fear of Job Losses
- Fear of Further Increases in Inequality
Actual risks and challenges

Developing countries will lose their existing advantage of lower labour costs

= They are at a higher risk of job losses

An increase in inequality both within and across countries

- Large first-mover advantages
- Job polarization widens income and wealth disparities
Job polarization around the world, 2000-2021

Note: Change in employment shares, in percentage points; forecasts after 2016.
Opportunities

More **efficiency** and higher **productivity**
- Similar historical experiences
- Possibility of contribution to labour market efficiency

**Low entry barriers** for the spread of AI
- Developing countries stand to benefit from AI

**Improved earnings** and inclusive **growth**
- Better access to higher-paying occupations
Other changes

Ex. Redefinition of the types of jobs...

Other impacts are still uncertain

Ex. Impact of AI-based innovations on workplace organization, employment relationships, etc.
NECESSARY GLOBAL AND NATIONAL ACTIONS
1. Supporting the adjustment of the workforce: upskilling and retraining through lifelong learning
### Predicted shifts in skill sets, United States and Western Europe, 2016-30

**Automation and AI will accelerate the shift in skills that the workforce needs.**

Based on McKinsey Global Institute workforce skills model

<table>
<thead>
<tr>
<th>Skills</th>
<th>United States, all sectors</th>
<th>Western Europe, all sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hours worked in 2016 Billion</td>
<td>Change in hours worked by 2030 %</td>
</tr>
<tr>
<td>Physical and manual skills</td>
<td>90</td>
<td>−11</td>
</tr>
<tr>
<td>Basic cognitive skills</td>
<td>53</td>
<td>−14</td>
</tr>
<tr>
<td>Higher cognitive skills</td>
<td>62</td>
<td>9</td>
</tr>
<tr>
<td>Social and emotional skills</td>
<td>52</td>
<td>26</td>
</tr>
<tr>
<td>Technological skills</td>
<td>31</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>287</td>
<td>366</td>
</tr>
</tbody>
</table>

**Note:** Western Europe: Austria, Denmark, Finland, Germany, Greece, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom. Numbers may not sum due to rounding.

1. Supporting the adjustment of the workforce: upskilling and retraining through lifelong learning

- Technical skills
- Soft skills
- Ability to use (not develop) the new technologies
2. Guaranteeing an **equal playing field** between firms

- Investing in digital infrastructure
- Providing basic AI tools in the form of open source
- Adjusting anti-trust policies
3. Reinforcing the existing social protection systems

- Portability of benefits and rights
- Strong and well-maintained digital infrastructure
- Well-funded systems
4. Enhancing international cooperation and social dialogue

- Constant exchanges among policymakers and regulators
- Constant regulatory adjustment
- Continuous monitoring of AI applications and its impact
- Continuously reducing working hours

----- Including development and implementation of relevant ethical conventions and discussions for them
Thank you for your attention
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