

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

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UN Agency devoted to advancing
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women and men

187 member states

Brings together Governments,
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The home of social dialogue,
international labour standards
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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

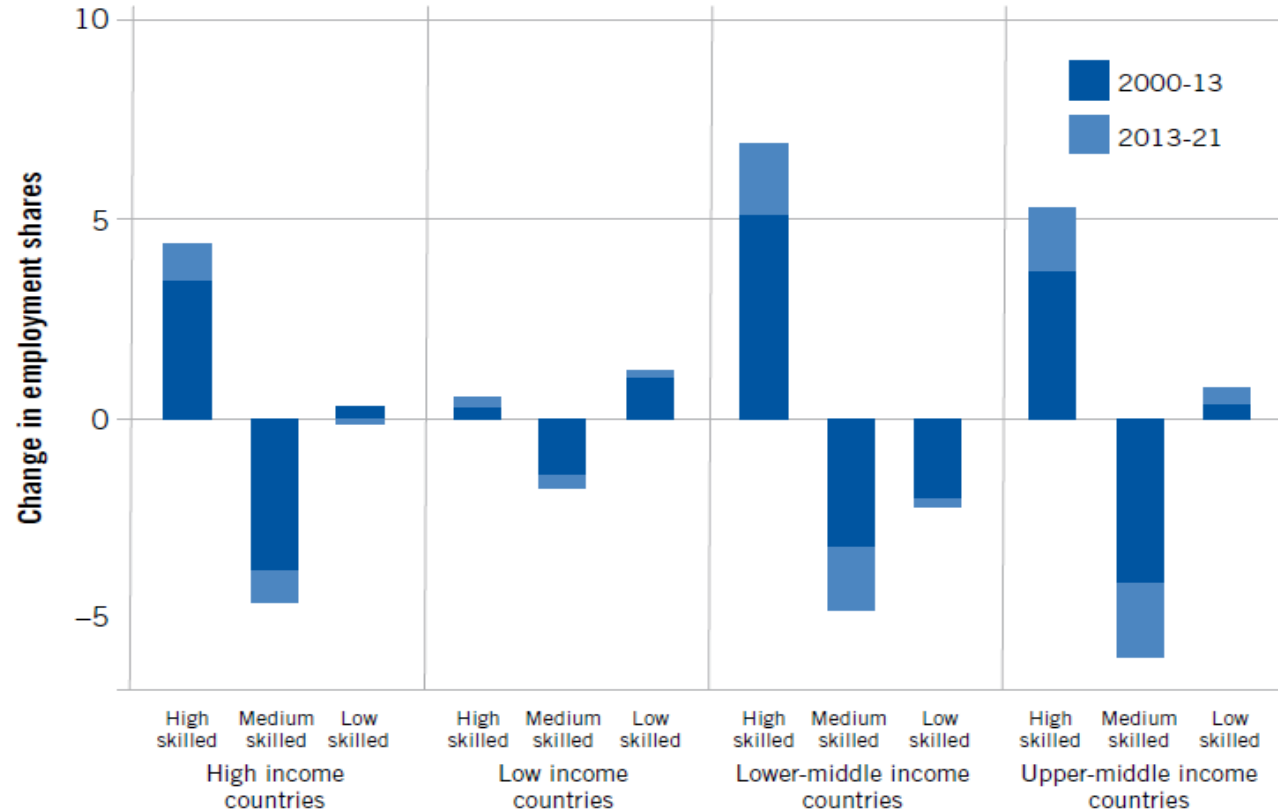
Developing countries will lose their existing advantage of lower labour costs

= 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.

Source: ILO, Trends Econometric Models, Nov. 2016.

Opportunities

New
opportunities
and **jobs**

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

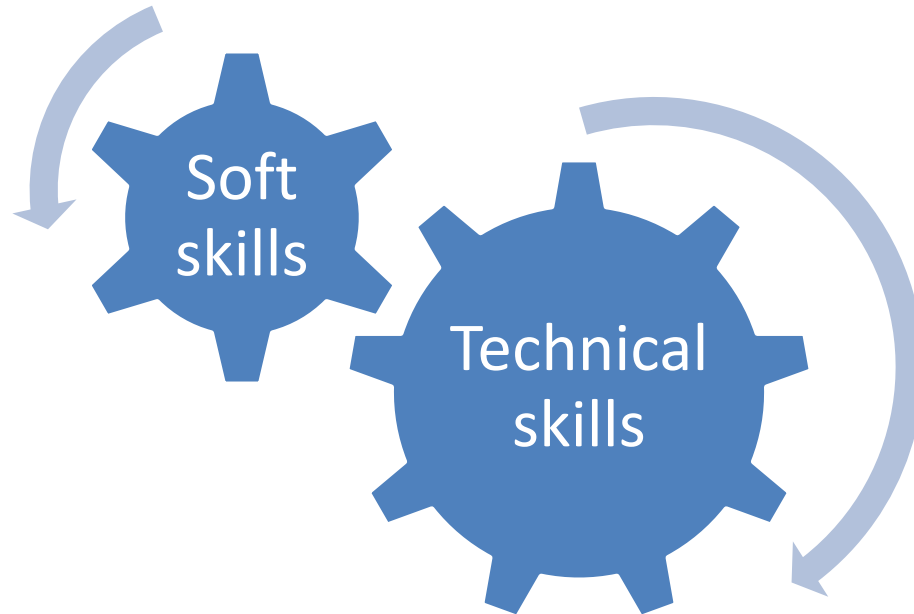
Ex. Impact of AI-based innovations on workplace organization, employment relationships, etc.



NECESSARY GLOBAL AND NATIONAL ACTIONS



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

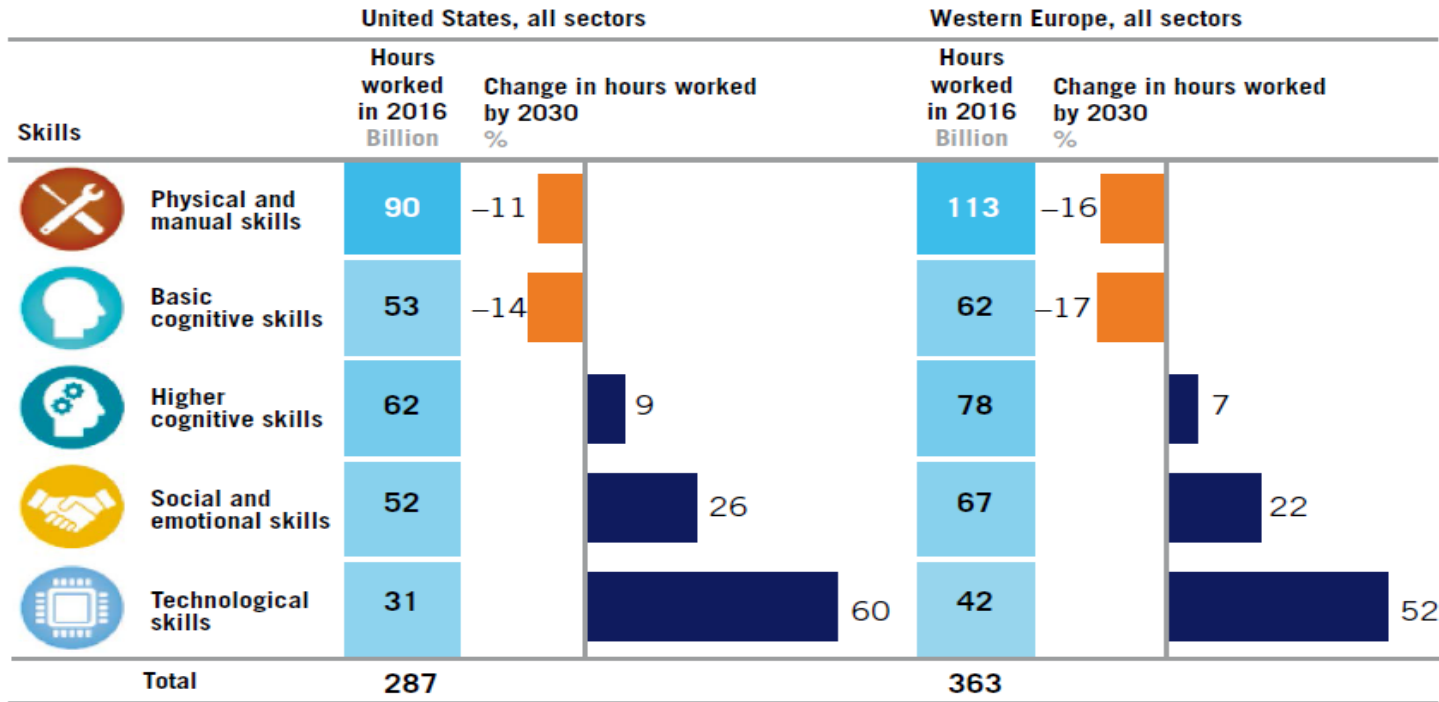


Predicted shifts in skill sets, United States and Western Europe, 2016-30



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

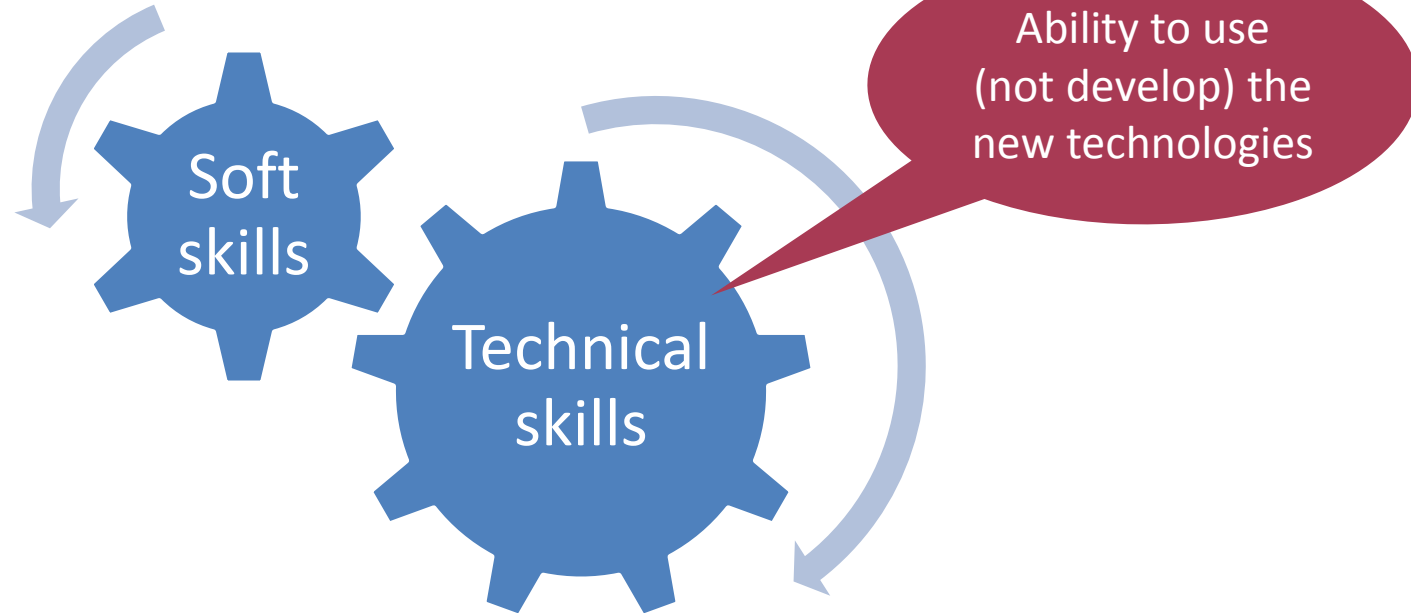
Based on McKinsey Global Institute workforce skills model



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.

Source: McKinsey Global Institute (2018). *Skill shift: Automation and the future of the workforce*. Washington DC. 11

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



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*



СОЦИАЛЬНАЯ СПРАВЕДЛИВОСТЬ
ДОСТОЙНЫЙ ТРУД

Thank you for your attention

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Key reference: Ernest et al. (2018) “The economics of artificial intelligence: Implications for the future of work” ILO Future of Work Research Paper Series No. 5.