

AI & Jobs

- Why AI is good for jobs?

→ since 1st IR → every new tech wave has been feared to make ppl jobless but jobs have only expanded & wages ↑

↓ why?

dump of labour fallacy

→ There is fixed amt. of work in the economy at any given time & its machines vs humans competing for the job

↓ The 'unseen' effect

Process becomes more efficient → productivity ↑

→ Prices of goods & services ↓

→ More \$ left for buying other things

→ Demand ↑ + Innovation ↑ → New industries

→ Newer high paying jobs for people

→ Larger economy, more prosperity & higher wages.

(since value of labour ↑ now)

New kinds of jobs will be created

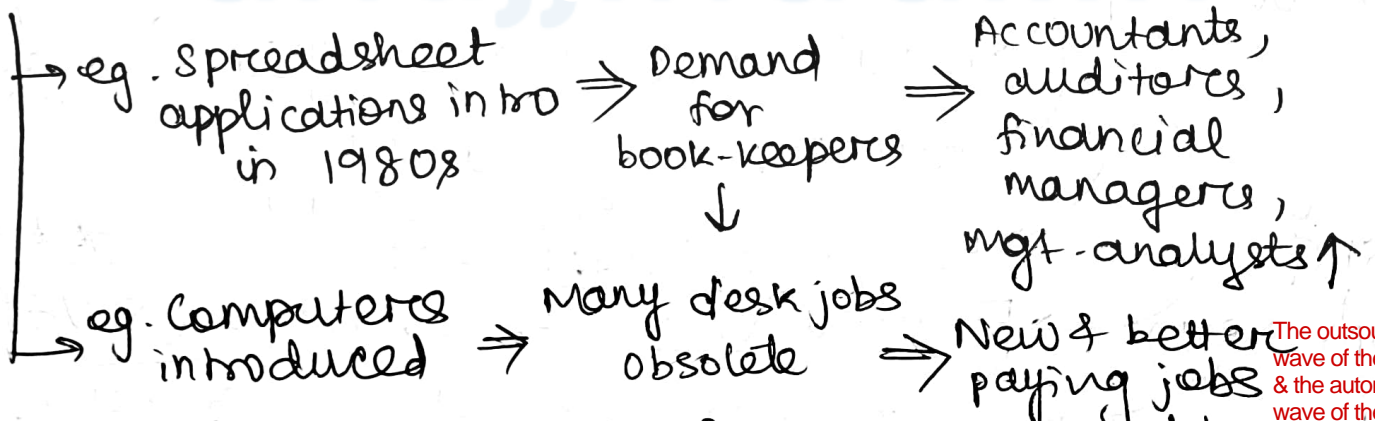
Mkt. weeds out inefficiency

Called a Jevons Paradox

WEF predicts that while AI will take away 85 million jobs, it will create 97 million new roles by 2025

WEF also predict AI could add 1 Trillion \$ to GDP of India by 2035

* We also don't account for upward mobility in value chains



The outsourcing wave of the 2000s & the automation wave of the 2010s hv only expanded jobs & wages

BUT → Lag b/w job loss & new jobs

→ Upskilling

→ Seen impacts > Unseen impacts

→ temporary mismatch causes socio-political disruptions

- Impact of AI on (upskilled) worker
 - More productive
 - Utilize mind on problem solving than mundane tasks
 - Augment output → more wages

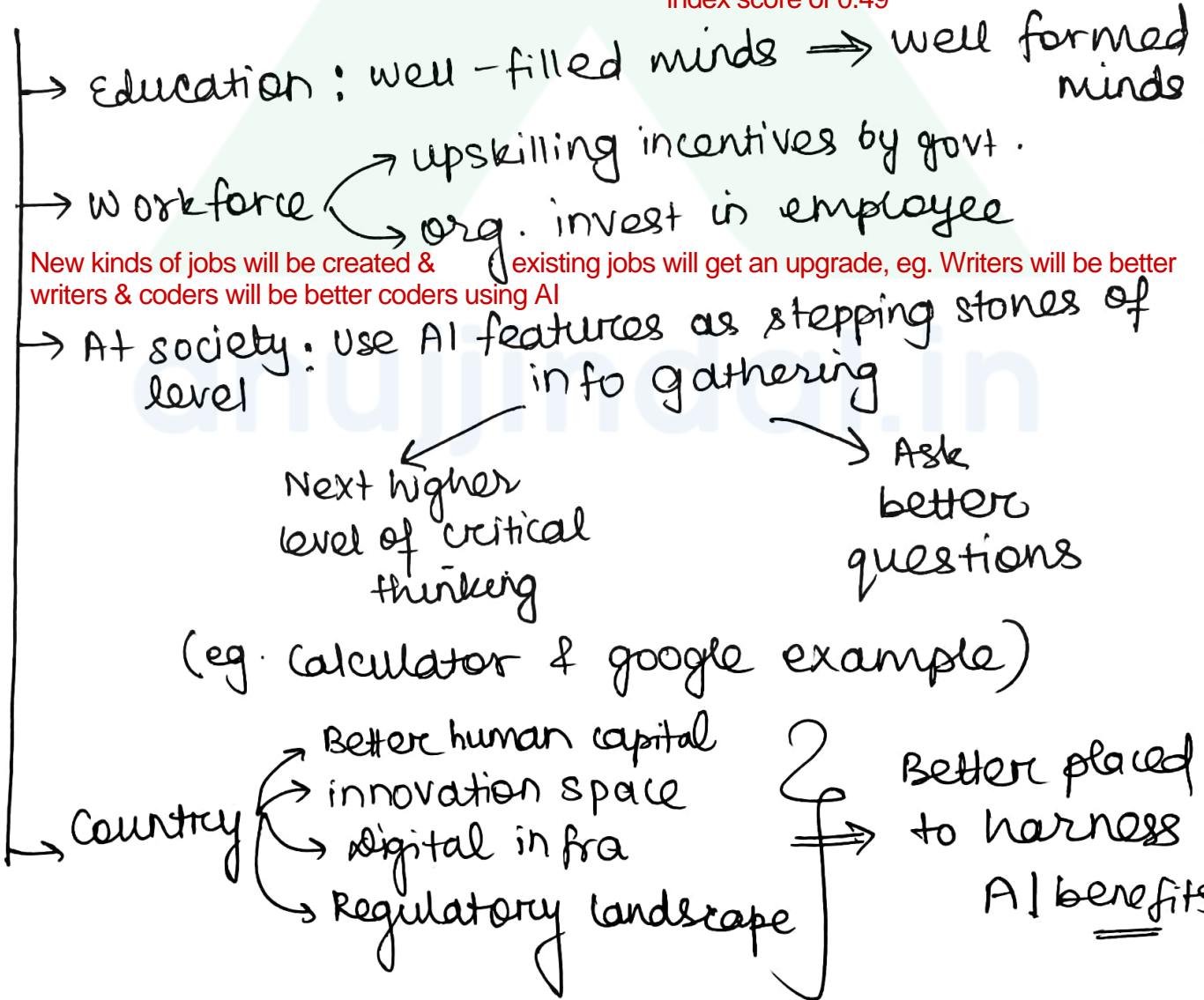
It is not AI that will take away jobs, it is someone with the AI who will

- still a mixed bag
 - Temporary instability (job losses), the 'seen' effects
 - Upskilling costs
 - Replacement of more mundane & conventional jobs faster; accountants, clerks etc.
 - India most workforce in agri
 - Limited impact
 - But miss the new wave of productivity

This is probably the first automation wave that will touch white-collar jobs, all previous waves only affected blue-collar jobs.

India ranked 72 on IMF's AI Preparedness Index, index score of 0.49

- What to do next?



New kinds of jobs will be created & existing jobs will get an upgrade, eg. Writers will be better writers & coders will be better coders using AI