

The Implications of Artificial Intelligence for Jobs and Skills

Jin Hee Bae

Microsoft Philanthropies lead | APAC



A high-angle, top-down photograph of a home office. A woman with dark hair, wearing a light-colored long-sleeved shirt and blue jeans, is seated at a wooden desk. She is using a black keyboard and a mouse. The desk features two computer monitors; the left one displays a data dashboard with various charts and tables, while the right one shows a Windows operating system desktop. A gold-colored desk lamp is positioned to the left of the monitors. On the desk, there is also a white mug, a notepad with a pen, and a few sticky notes. To the left of the desk, a young girl with dark hair, wearing a blue dress and patterned leggings, sits on a brown sofa, holding a tablet and looking towards the camera. The scene is set in a room with light-colored walls and a window with white curtains in the background.

NEW NORMAL

The **problem** we need to solve now



A global economic
crisis



Returning to a
different economy



An intensified
skilling challenge

How could AI change the nature of work in Asia?

3x

the productivity benefits

Traditional, non-digital sectors such as healthcare are expected to reap up to three times the productivity benefits from AI to digital sectors

How could AI change the nature of work in Asia?

10%

Increased real wages

Displaced workers have the potential to improve their wages if they manage to secure jobs with lower risk of substitution by AI technologies or new AI-supporting roles

How could AI change the nature of work in Asia?

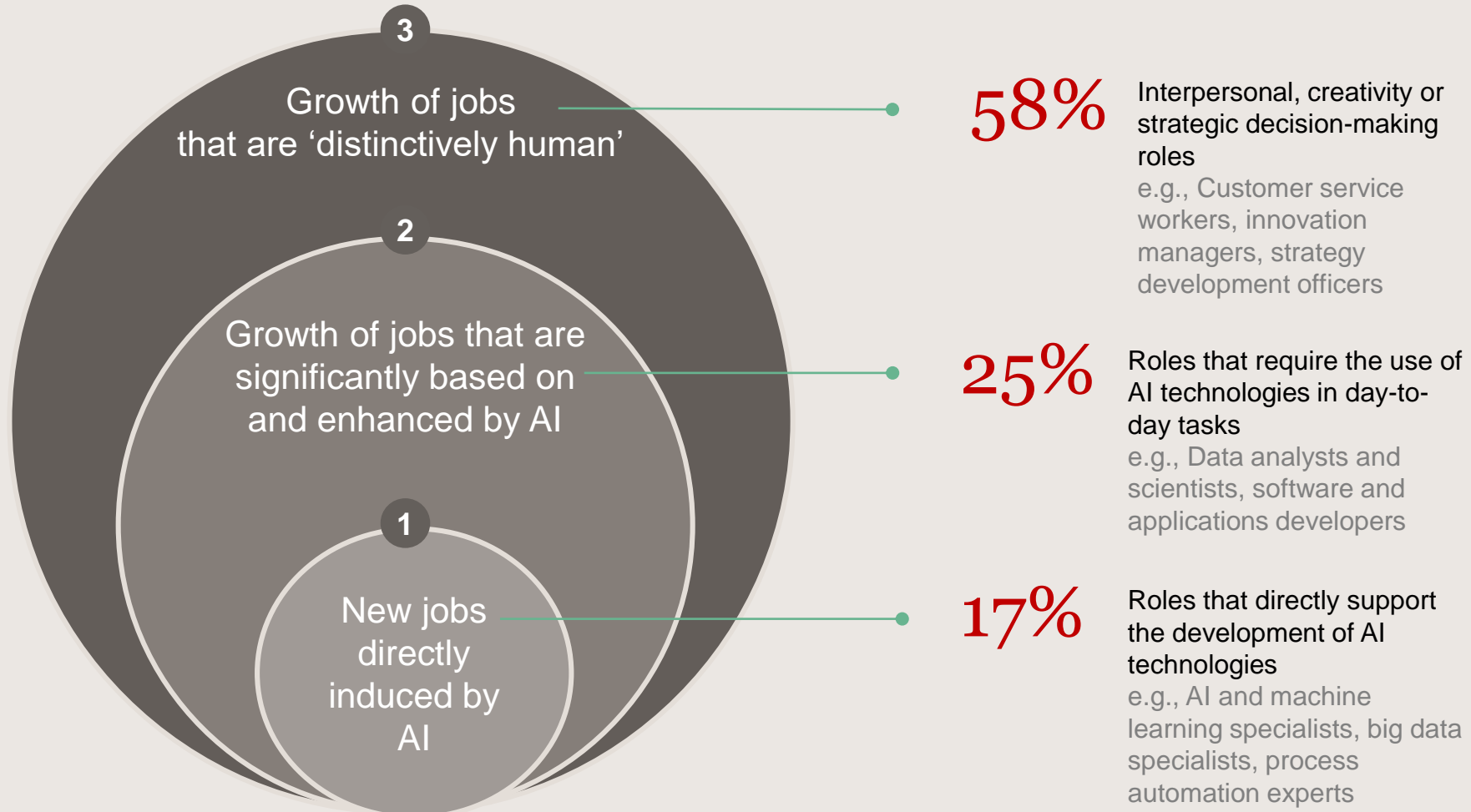
93 mil.

New job opportunities will be created =

The income effect of AI could more than offset its displacement effect to lead to net job gains; a study in China estimated an overall 12% increase in jobs by 2037

over 2018-2022 period¹ (%)

Projected distribution of in-demand job positions in an AI economy



1. The projected distribution of in-demand job positions in an AI economy was proxied based on the percentage breakdown of job roles that the WEF survey reflected would have "new" and "stable" demand by employers to 2022.

SOURCE: World Economic Forum (2018), *Future of jobs 2018 report*, AlphaBeta analysis

How could AI change the nature of work in Asia?

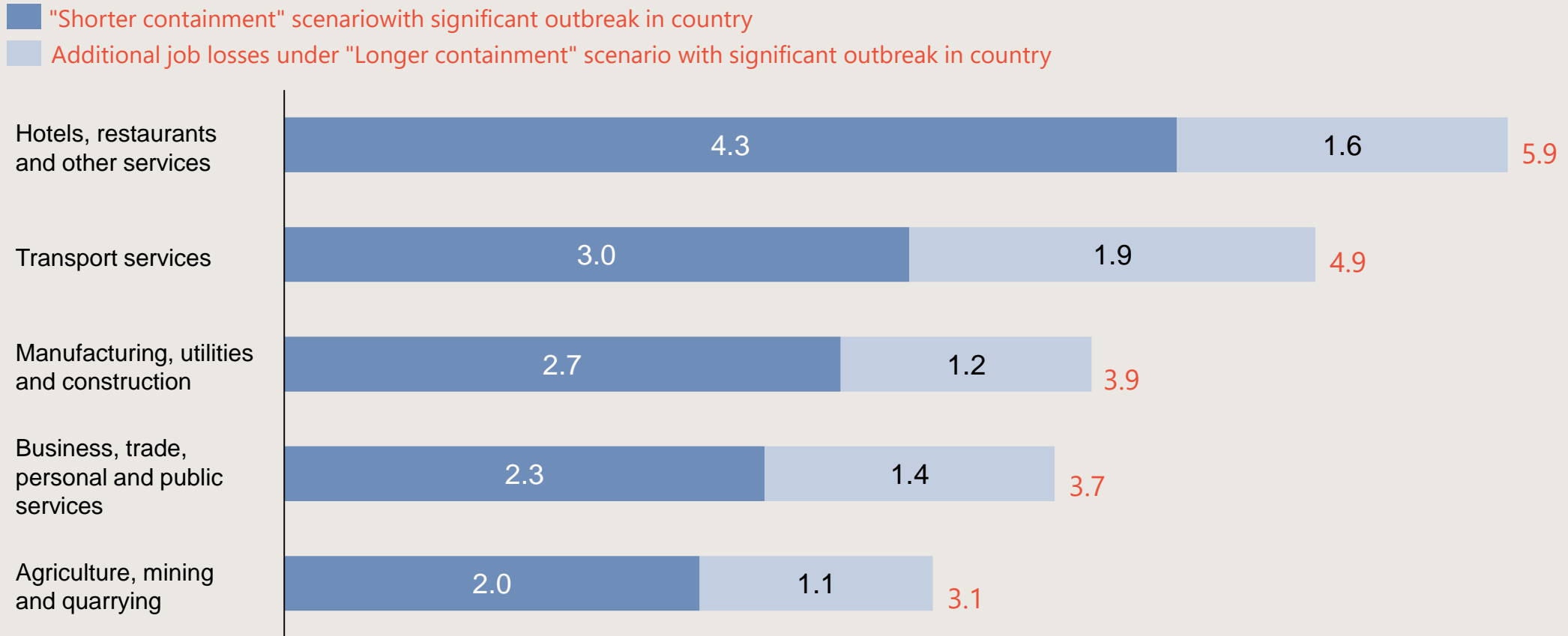
56%

struggle to find new jobs

There are rising concerns that AI could force Asian manufacturing workers to compete for a diminishing supply of low-skilled work, pushing them into a "race to the bottom"; a study indicates that that 56% of manufacturing workers in Cambodia, Indonesia, Thailand, the Philippines and Vietnam face this risk

as of 29 April 2020

In APAC, largest job impacts on the hotels, restaurants and transport services sectors – where 5-6% of jobs could be lost

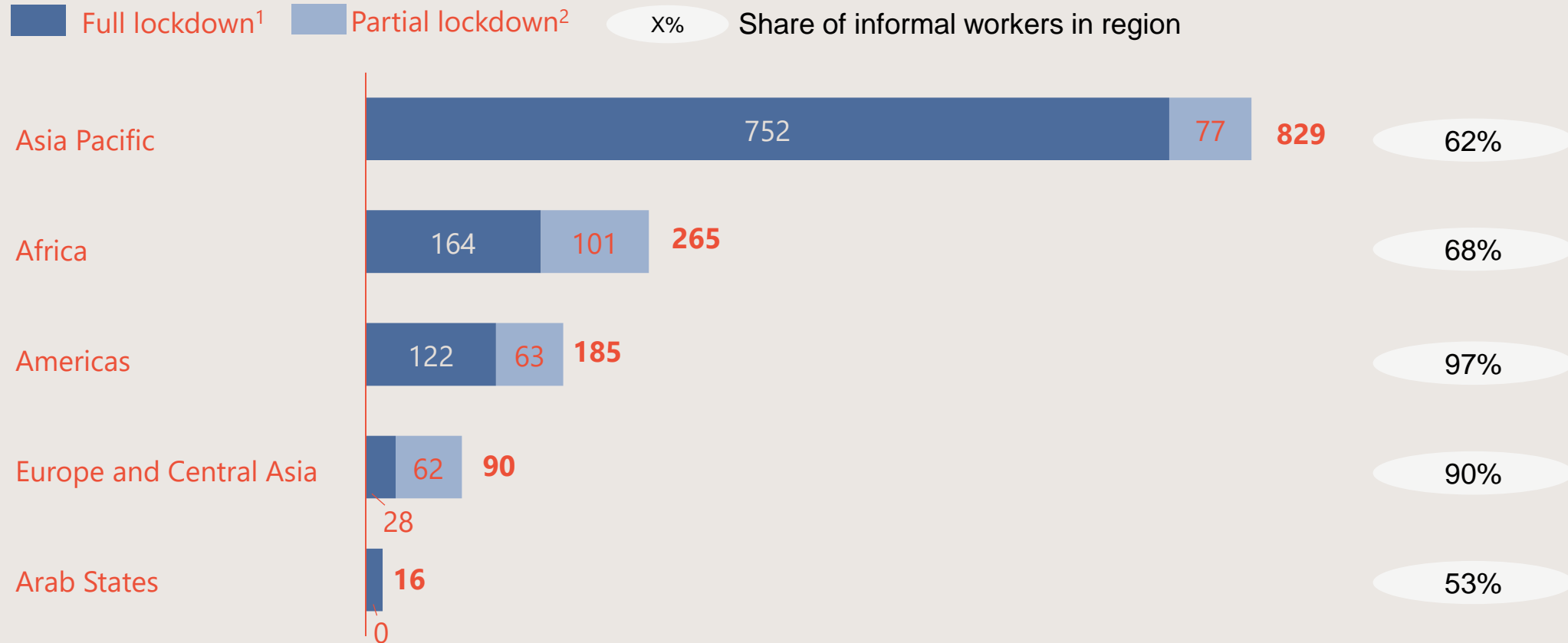


1. APAC countries included are the 12 priority countries except New Zealand (Australia, Hong Kong, India, Japan, Indonesia, New Zealand, Thailand, Malaysia, South Korea, Singapore and Taiwan), as New Zealand is not included in the ADB database
 2. Job loss projection includes employment in informal sectors
 3. Assumes significant outbreak in the country, a shorter epidemic containment period and smaller demand shocks in terms of tourism, consumption and investment lasting 3 months.
 4. Assumes significant outbreak in the country, a longer epidemic containment period and larger demand shocks in terms of tourism, consumption and investment lasting 6 months.
- SOURCE: Asian Development Bank, "COVID-19 Economic Impact Assessment Template" (28 March 2020); AlphaBeta analysis

as of 29 April 2020

Number of informal workers in countries with lockdown measures by workers

Workers, millions



1. Full lockdown: These are countries that have taken three measures, namely, (a) mandatory workplace closure, (b) mandatory internal travel controls (i.e., restriction on the internal movement of citizens); and (c) mandatory shutdown of public transport.

2. Partial lockdown: At least one of the three measures have been taken.

SOURCE: International Labour Organization, *COVID-19 and the World of Work* (29 April 2020); AlphaBeta analysis

STIMULATE AI Skilling

Investment on AI skilling
National AI Skilling platform



PREPARE OUR FUTURE

AI education for all youths
Inclusive skilling opportunities



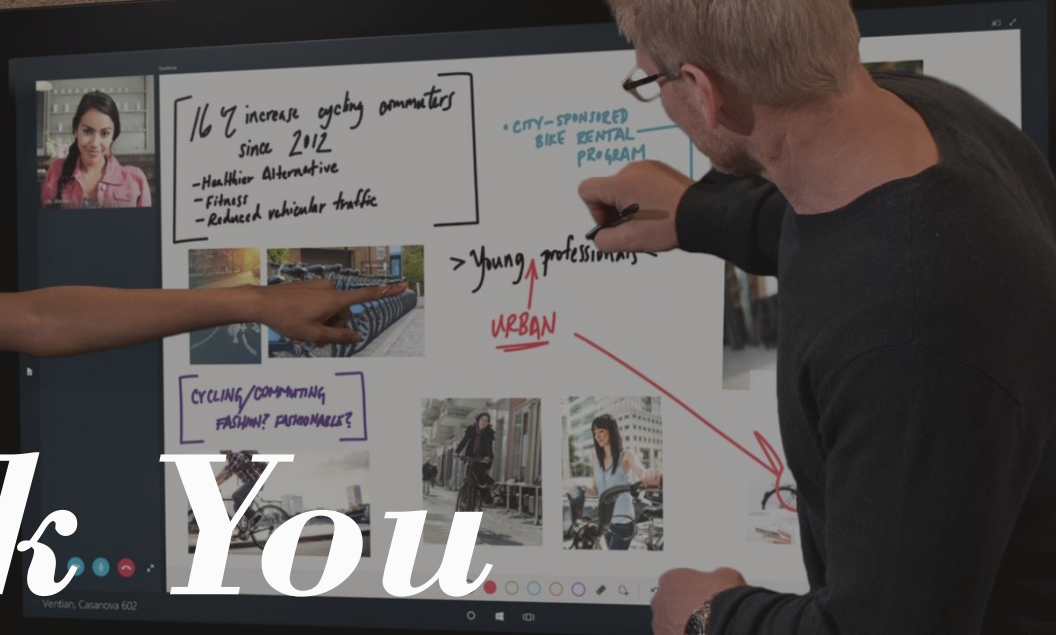
PROMOTE INNOVATION

Encourage AI adoption
Secure the reskilling time for
employees with a commitment





Thank You



16% increase cycling commuters since 2012

- Healthier Alternative
- Fitness
- Reduced vehicular traffic

CITY-SPONSORED BIKE RENTAL PROGRAM

> Young professionals

URBAN

CYCLING/COMMUTING FASHION? FASHIONABLE?

Verban, Casanova 602

Microsoft