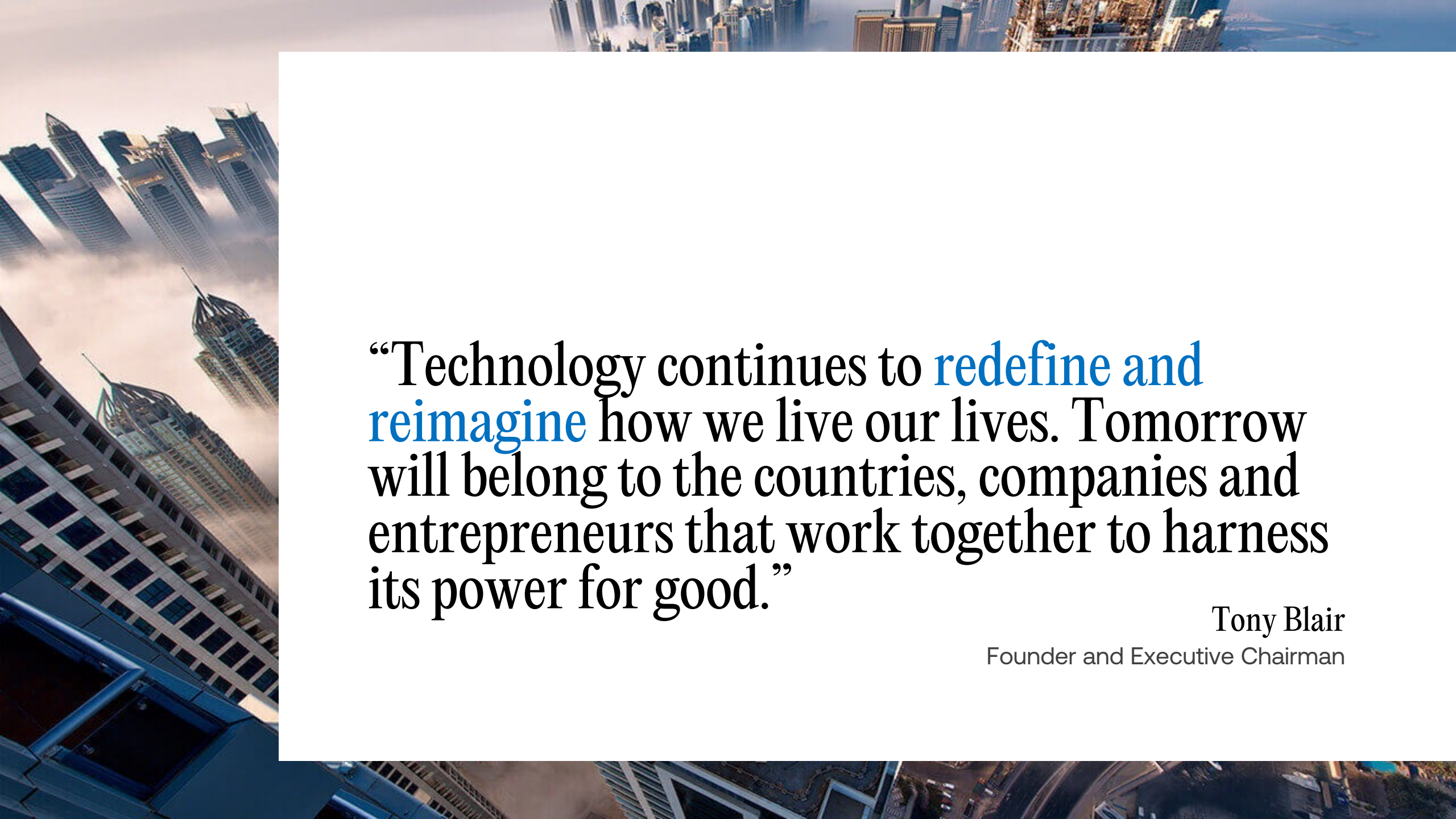




TONY BLAIR INSTITUTE FOR GLOBAL CHANGE

# AI x Future of Work (Asia)

PEICHIN TAY, JUNE 2024



“Technology continues to **redefine and reimagine** how we live our lives. Tomorrow will belong to the countries, companies and entrepreneurs that work together to harness its power for good.”

Tony Blair

Founder and Executive Chairman



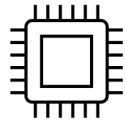
# We are now living in an AI-era

This revolution is self-reinforcing and unprecedented in scope, scale and speed



**AI**

AI is moving at breakneck speed, opening up new possibilities for government



**Semiconductors**

Semiconductors are the second most traded global good after oil



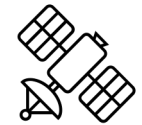
**Cloud**

More than 25% of global enterprise workloads are done on the cloud



**Big Data**

99% of all data since the beginning of human existence has been produced in the last decade



**Satellites**

Satellites are becoming more effective, cheaper, and creating universal coverage

# Multi-fold challenges in the developing world

Increasing pressure to improve quality of life, drive economic prosperity, and manage climate-related risks

**Access to compute as the next digital divide**

**10%**

**of the world's richest countries hold most of the world's computational power**

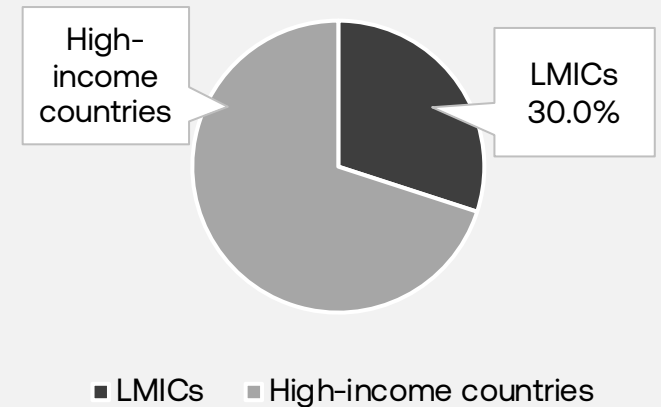
**AI is energy-intensive**

Almost 5% of global carbon emissions

2x the electricity consumption by 2026

Training an AI model uses more power than 100 households in a year

**LMICs lag behind in AI governance strategy-setting**





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# The Global Context of Work

PEICHIN TAY, JUNE 2024

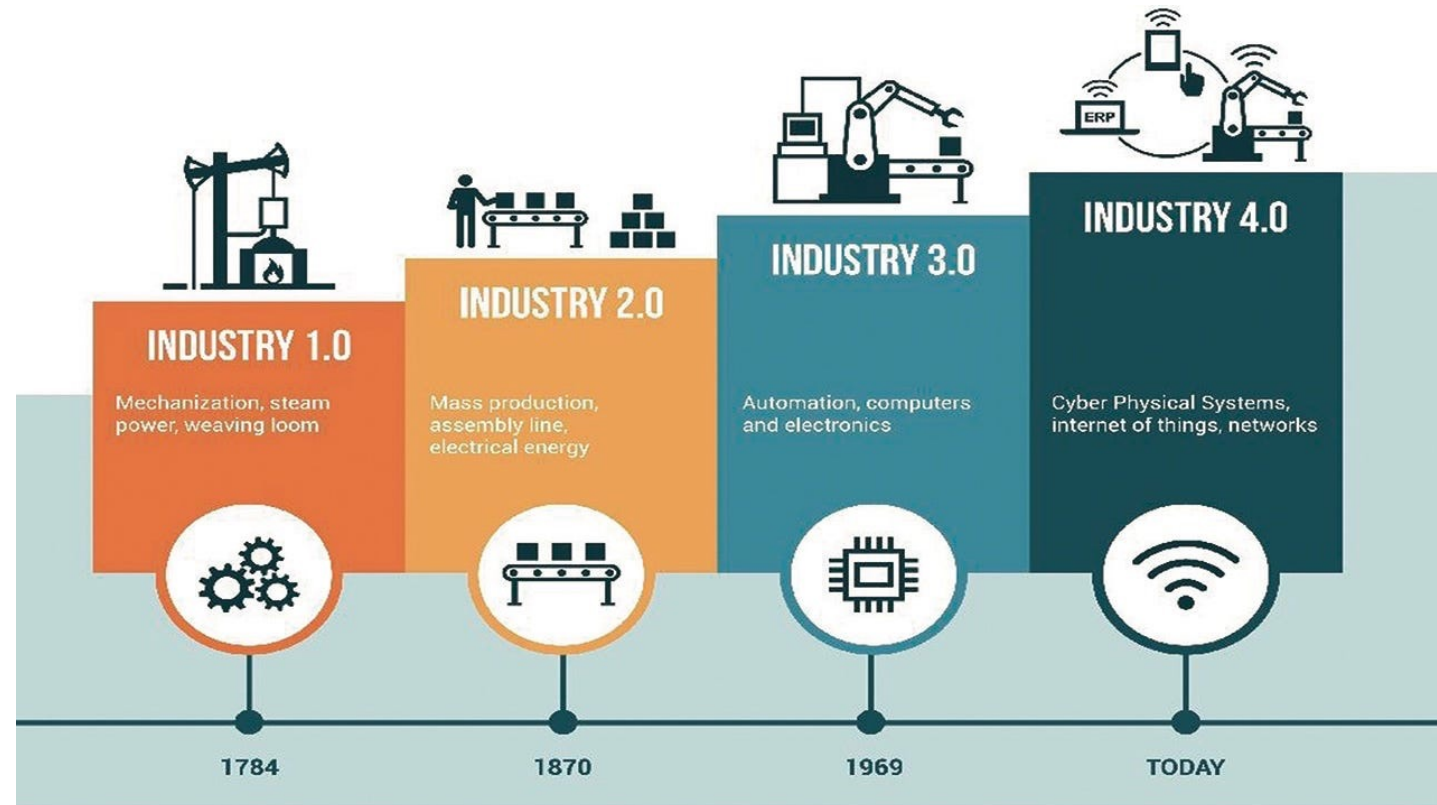




# Industry 4.0: A Different Narrative

Past industrial revolutions have tended to impact jobs (for good and bad) at the lower end of the skills spectrum.

However, global studies are highlighting AI's impact on higher-wage earners.



# AI Is Projected to Have the Greatest Impact on Knowledge Workers



**1**

**Knowledge workers...most exposed to automation and augmentation**

*“Knowledge workers” will be the most exposed to automation and augmentation... 24% of clerical tasks considered highly exposed (ILO 2023)*

**2**

**28% of employment across OECD countries**

*Occupations at the highest risks account for about **28% of employment** on average across OECD countries. (OECD 2022)*

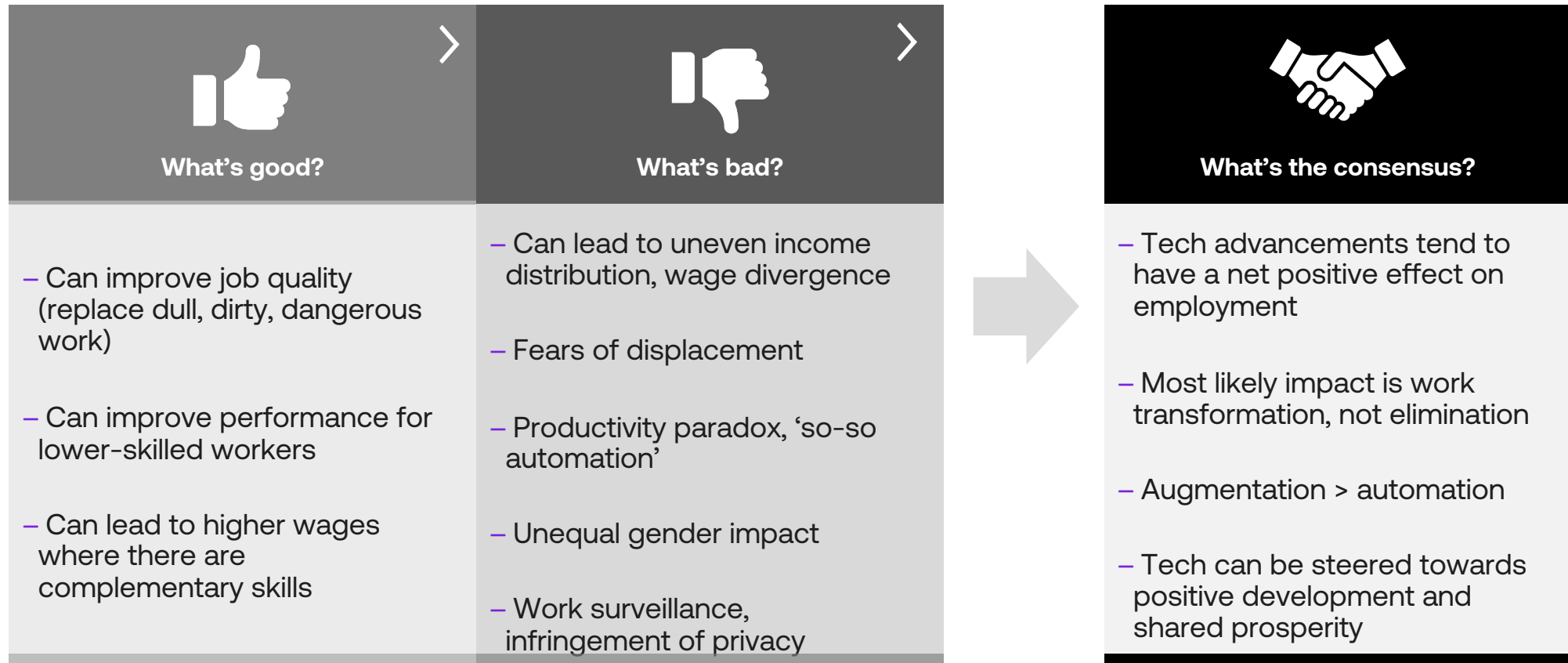
**3**

**40% of global employment exposed to AI, 60% in advanced economies**

*Almost 40% of global employment is exposed to AI, with the number climbing to 60% in advanced economies due to their proportion of highly skilled jobs. (IMF 2024)*



# The Good, The Bad, and the Consensus





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# A focus on Asia

# Asia's Unique Labour Market Environment

## Large Informal Sector

- 60% Asian workforce are in the informal sector
- Concerns over low wages and inadequate protection
- Data is not adequately captured

## Quality of Jobs

- Growth of digital labour platforms and “microtasks” (58% STEM degree holders)
- De-skilling of workers
- Creation of low-end service economies

## Outsourced Services

- Significant presence of business process outsourcing (BPO) sector
- Nearly 20% of jobs in the Philippines, and >10% of jobs in India could be lost to AI



Artificial intelligence [+ Add to myFT](#)

## AI could kill off most call centres, says Tata Consultancy Services head

Chatbots will soon take over much of the work of human agents, forecasts chief of Indian IT group



TCS chief K Krithivasan this month reported profits that topped analysts' expectations. He also announced the IT services group for machine learning, cloud and other artificial intelligence projects. © Bloomberg

## Microsoft's Kate Crawford: 'AI is neither artificial nor intelligent'

Zoë Corbyn

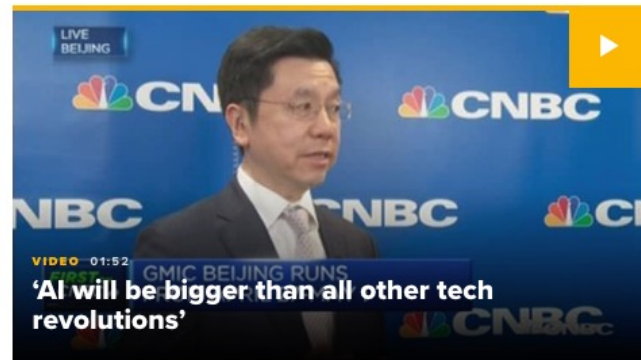


## Artificial intelligence will replace half of all jobs in the next decade, says widely followed technologist

PUBLISHED THU, APR 27 2017 8:48 PM EDT | UPDATED THU, APR 27 2017 8:49 PM EDT



Sophia Yan

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stitutions - corporations and human stereotypes

tical implications of communication in Southern California. Her new book is a wake-up call as it reshapes

1. You work for a company that does what you square that circle: which is a distinct organisation, usually, over its 30-year history, it

## OPINION

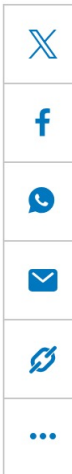
## Asia has to make itself heard in global AI governance discussions

Technology is widening inequality, potentially entrapping nations and workers

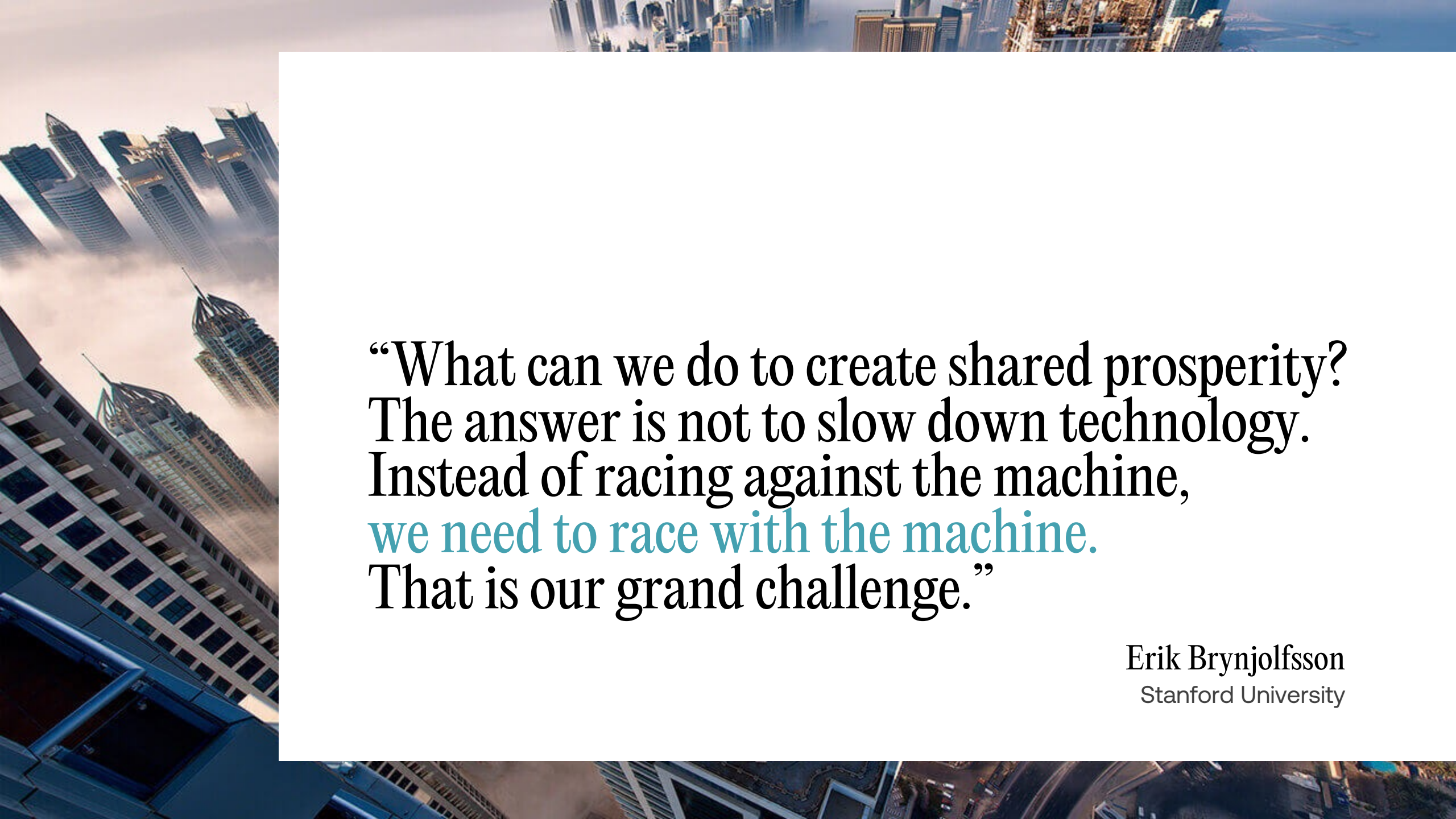


Nikki Sun

December 7, 2023 17:00 JST



Accountancy employees in Ahmedabad, India: Job displacement due to AI is spreading to skilled jobs like junior positions in administration, accounting and design. © Reuters







“What can we do to create shared prosperity?  
The answer is not to slow down technology.  
Instead of racing against the machine,  
**we need to race with the machine.**  
That is our grand challenge.”

Erik Brynjolfsson  
Stanford University



# Strengthening the Foundational Enablers

In LMICs, policymakers need to act urgently to bolster foundational elements for a national AI-ready workforce

<b>Digital Infrastructure</b>	 <b>Digital Connectivity</b>	<b>Invest in affordable digital infrastructure and access</b> <i>1/3 global population is offline despite near universal coverage</i>
<b>Workforce Development</b>	 <b>Human Capital</b>	<b>Design specific support programmes for those affected more</b> <i>Lower-wage workers are 14x more likely to need to change occupations</i>
<b>Worker Rights and Protection</b>	 <b>Worker Rights</b>	<b>Elevate rights of all workers, incl informal, non-standard ones</b> <i>Due to rising informality, all workers regardless of status should be able to access a core set of worker rights and protections</i>
	 <b>Safeguards</b>	<b>Implement policies that promote equitable and ethical integration of AI</b>



# Achieving a More Balanced Distributional Effect

Policymakers need to act pro-actively to realise the potential of AI and steer it towards shared prosperity and sustainable development

## National and/or Regional Level

Develop a **systematic human capital approach**, by linking education & skills with industrial policies; direct investment to 'green sectors' (100m new jobs by 2030)



## Enterprise Level

**Encourage more companies, especially SMEs, to adopt AI** so as to reap its benefits (e.g., Trailblazer programme in Singapore)



## Workers

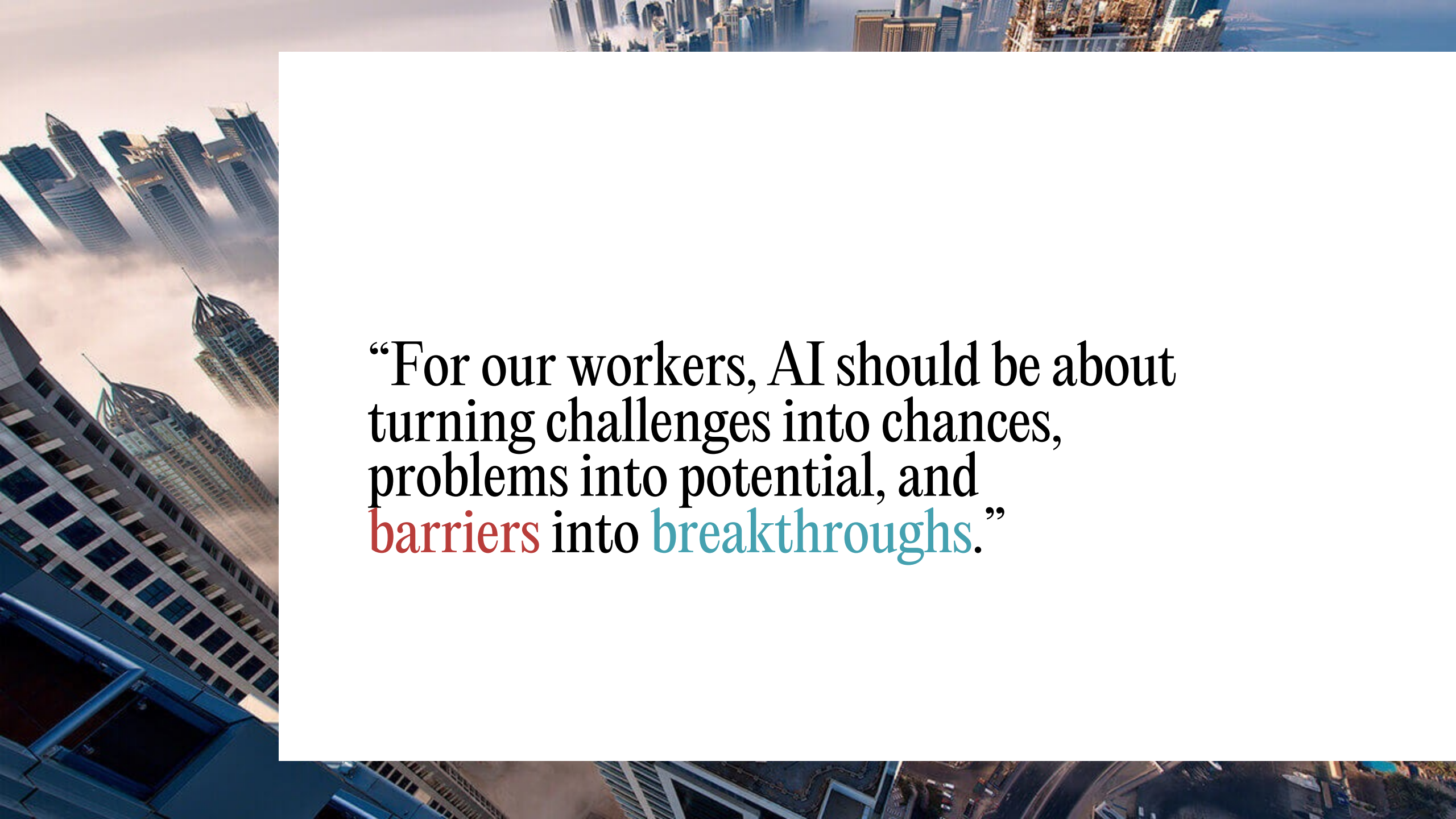
**Incentivise employers to support middle- and low-skilled workers** so that they can benefit the most from AI technologies (i.e., 'social-levelling') and the climate change transition ('green jobs')




## Direction of Tech

**Steer development and deployment towards labour-complementary tech** - away from *automation* and towards *augmentation* (e.g., *safety* vs *surveillance*)



An aerial photograph of a city skyline, featuring several tall skyscrapers. The buildings are partially obscured by low-hanging clouds or smoke, creating a dramatic, hazy atmosphere. The perspective is from a high angle, looking down at the city.

“For our workers, AI should be about turning challenges into chances, problems into potential, and **barriers** into **breakthroughs**.”



“For our workers, AI should be about turning challenges into chances, problems into potential, and **barriers** into **breakthroughs**.”

PeiChin Tay + ChatGPT

Senior Policy Advisor

v4o





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Check out our latest report  
on 'Greening AI' here:



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