

Whose job will AI replace? Why a clerk in Ethiopia has more to fear than one in California

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Artificial intelligence is changing the world—and one of the main areas it will affect in the short-to-medium term is the workforce.

AI algorithms imitate real-world systems. The more repetitive a system



is, the easier it is for AI to replace it. That's why jobs in <u>customer</u> <u>service</u>, retail and clerical roles are <u>regularly named</u> as being the most at risk.

That doesn't mean other jobs won't be affected. The latest advances in AI have shown all kinds of creative work and <u>white-collar professions</u> stand to be impacted to various degrees.

However, there's one important point that's usually not addressed in discussions about AI's impact on jobs. That is: *where* you work may be as important as what you do.

Current trends and projections suggest people in developing countries, where a higher proportion of jobs involve repetitive or manual tasks, will be the first and most affected.

Privileged by geography

According to the World Economic Forum's <u>Future of Jobs report</u>, emerging technologies and digitalization are among the biggest driving factors for job displacement. The report states, "The majority of fastest declining roles are clerical or secretarial roles, with bank tellers and related clerks, postal service clerks, cashiers and ticket clerks, and data entry clerks expected to decline fastest.

Let's take an office clerk as an example, whose responsibilities include answering phones, taking messages and scheduling appointments. We now have access to AI tools that can perform all these tasks.

They can also work non-stop, for free (or a fraction of the price), without being affected by personal problems, and without having to mentally strain to optimize their workflow. Of course they're going to be



attractive to employers!

At first glance, you might assume an office clerk living in a developed country is more likely to lose their job than their counterpart in a <u>developing country</u>, since the former seems more likely to implement new AI tools.

In reality, however, it's expected more people in developing countries will lose their jobs. The success of each nation will depend on how well it can adapt to the displacement of its workforce.

In 2009, the <u>United Nations International Telecommunication Union</u> created the information and <u>communication technologies</u> (ICT) <u>development index</u> to benchmark and compare ICT performance within and across countries.

This index measures, among other things:

- the level and evolution over time of information and communication technologies in different countries
- how each country's experience compares to others'
- the extent to which a country can develop and use these technologies to boost its own growth and development in the context of the capabilities and skills available.

In other words, a country's score on <u>this index</u> can be correlated with how well it adapts to emerging technologies such as AI.

Unsurprisingly, developed countries rank higher than the rest of the world. In 2012, the top five ranking <u>countries were</u> the Republic of Korea, Sweden, Iceland, Denmark and Finland. The bottom five were Eritrea, Burkina Faso, Chad, the Central African Republic and Niger.



Wealth and opportunity makes a difference

The World Bank has divided the <u>world by income and region</u>, showing developing countries are among the lowest earners.

Generally speaking, employing people is much easier in developing countries, due to <u>lower wages</u>, <u>tighter competition</u> and less regulation to support employees.

The <u>World Bank</u> estimates about 84% of the world's working-age population lives in developing countries. Similarly, a 2008 report from the <u>International Labor Organization</u> estimated 73% of all the world's workers lived in developing countries, while only 14% lived in advanced industrial countries.

That means whatever clerical jobs aren't taken by AI in developing countries will become more competitive than most people can handle. As World Bank senior economist Indhira Santos wrote in 2016, <u>in</u> <u>reference</u> to the digital revolution:

"[...] the jobs where workers are likely to lose out are disproportionally held by the least educated and the bottom 40 percent of the income distribution. As a result, the biggest risk from the digital revolution is not massive unemployment, but widening income inequality."

These factors will result in an employer-ruled ecosystem in developing countries. These countries have both a higher occurrence of jobs that can be replaced or displaced (such as call center jobs), and less of the money and skills needed to implement AI tools effectively.

The cost and affordability of AI programs and algorithms will also speed up this process in certain regions.



Critical thinking remains important

Experts note AI will create many employment opportunities, including jobs that don't yet exist. It's just that not all <u>countries</u> will be well-equipped to make the transition when the time comes.

The <u>Future of Jobs report</u> says "analytical thinking and creative thinking remain the most important skills for workers." So if you're worried about keeping your job in the future, it's worth acquiring more of these skills.

Beyond that, you might stop and consider how the place you live could play a role in whether you'll have work in the future—and if you happen to live in a wealthy, <u>developed country</u>, consider yourself lucky.

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