

IMPACT OF AI DEVELOPMENT ON THE LABOUR MARKET

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Artificial intelligence is the terra incognita of our time, an issue that is being

actively researched in proportion to how AI is improving. Many people are worried that AI will become so advanced that it will take away their jobs. AI creates new opportunities and challenges for employers and employees.

AI helps automate routine tasks According to the McKinsey Global Institute, by 2030, up to 800 million jobs in the world could be automated, which will be about 30% of the total workforce (McKinsey, 2017, p. 2) There will be a need to retrain workers who may lose their jobs due to automation However, it is worth noting that not only artificial intelligence, but also robotics contribute to the development of automation

The introduction of AI also leads to a change in skills requirements Demand for technical skills, data analytics, and AI system management is growing According to a study by the World Economic Forum, by 2025, 85 million jobs may be replaced, but 97 million new ones will be created at the same time, requiring new skills (World Economic Forum, 2020, p. 5) This highlights the importance of education and continuous learning to adapt to new conditions.

An analysis of the history of the impact of technology on employment shows that the elasticity of demand is a key factor in determining whether new technologies, including AI, will lead to an increase or decrease in jobs in certain industries. Elastic demand means that a change in price or other factors significantly affects the number of consumers willing to buy a particular product or service. If the demand for products arising from the introduction of AI is sufficiently elastic, it can lead to the creation of new jobs, even in the face of rapid technological progress (Bessen, 2019, p. 14).

To sum up, AI is radically changing the labour market, creating both challenges and new opportunities. Collaboration between governments, businesses, and educational institutions is critical to ensure that workers are adapted to new requirements, which will ensure sustainable development in this new era of work.

References:

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