

Economic Impacts of Artificial Intelligence on Labor Markets

Quinn Baker
PhD
University of Paris
12 Place du Panthéon, 75005 Paris, France

Alex Thompson
PhD
University of Amsterdam
Spui 21, 1012 WX Amsterdam, Netherlands

Adrian Smith
PhD
Seoul National University
1 Gwanak-ro, Gwanak-gu, Seoul 08826, South Korea

Abstract. This research paper delves into the economic consequences of artificial intelligence (AI) technologies on labor markets across different sectors. We assess both the potential benefits and challenges posed by AI, including job displacement and creation, wage dynamics, and skill requirements. By analyzing various industries, we provide insights into how AI is reshaping the workforce and the necessary policy interventions to enhance positive outcomes while mitigating adverse effects.

Keywords: Artificial Intelligence, Labor Markets, Job Displacement, Wage Dynamics, Policy Interventions

Introduction

Artificial intelligence (AI) is rapidly transforming various sectors, leading to significant changes in labor markets. This paper examines the economic impacts of AI technologies, focusing on their influence on employment patterns, wage structures, and skills demand. We analyze the dual nature of AI, which presents both opportunities for job creation and challenges such as job displacement and wage polarization. By studying different industries, including manufacturing, healthcare, and finance, we aim to provide a comprehensive understanding of how AI is altering labor markets. Furthermore, the paper discusses policy measures that can help maximize the economic benefits of AI while minimizing its negative impacts, such as workforce retraining programs and educational reforms to equip workers with the necessary skills for future demands.

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