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Will AI replace the human?



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Will I be redundant in the future?

Are layoffs going to continue? Will most entry level jobs be not available for humans very soon? Will there be less people employed in the future? Will AI take over most jobs from humans eventually? The disruptive development of AI has triggered some serious questions recently. In the long evolution of humankind, many disruptive changes have taken place with each one of that being unprecedented, yet in some ways similar to the past.

Luddite movement and resistance to technological development

The apprehension surrounding AI is not the first time in history where humans questioned the evolution or development of technology. The infamous “Luddite” movement in 18th Century in England against the mechanized looms which were replacing manual wooden looms in Textile industry, is possibly the most famous example.



Source: This visual is generated with AI.

We will look at two significant technological developments in history and how jobs were destroyed, and how new jobs were created and what the people may have gone through and thought during those times. The current situation surrounding AI is certainly not the same, but it maybe possible to get some indications about the future.

Case study 1:

Impact from invention and adoption of steam engine

The invention and gradual widespread adoption of steam engine from the end of 18th century shifted mankind from an agriculture and handcraft economy to a machine-driven industrial economy. As a result, thousands of jobs were eliminated including cottage industry textile workers, small scale craftsmen, animal handlers and many more.



Source: This visual is generated with AI.



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But the new invention resulted in new jobs ranging from boiler makers, steam engine mechanics/engineers, locomotive drivers and crews, coal miners, factory machine operators and so on. Leaving aside all that, some studies (Bessen 2015) say that while 98% of the labour required to weave a cloth was automated, the number of weaving jobs actually increased as price of cloth plummeted resulting in a spike in demand for cloth! This is what is known as the “Jevons Paradox”.

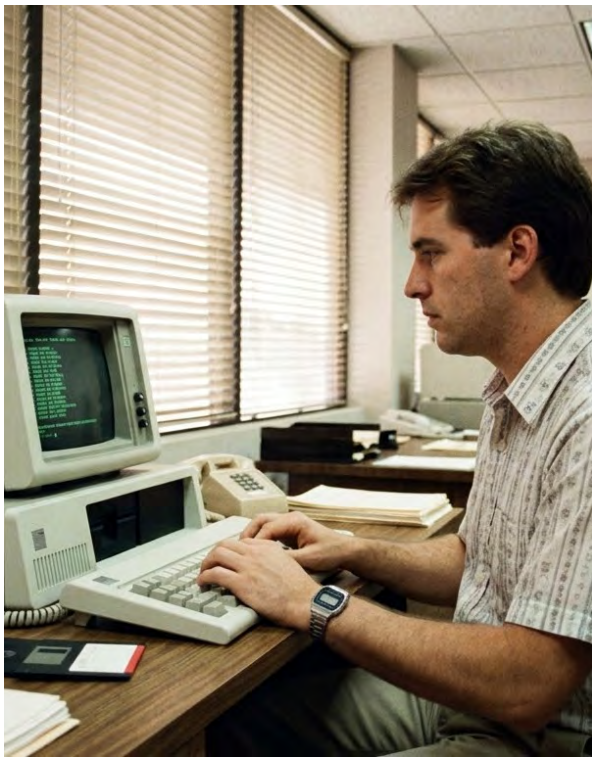
Case study 2:

Impact from mass usage of personal computer

The entry of personal computers into mass usage from 1980s wiped out jobs such as typists (over 2 million jobs disappearing over a period of 15 years), filing clerks, switchboard operators and stenographers. Yet demand for new jobs such as software engineers sky rocketed from less than 10,000 in 1950s to 200,000 in 1985 to a possible peak of over 20 million by 2021.



Source: This visual is generated with AI.

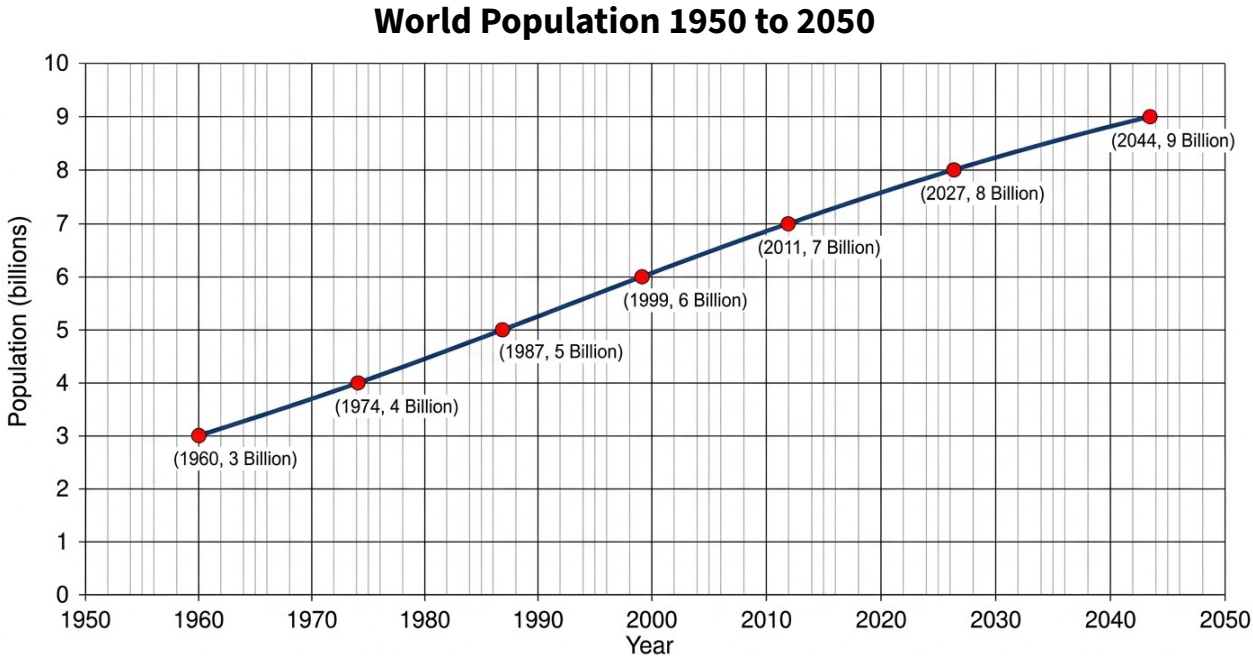


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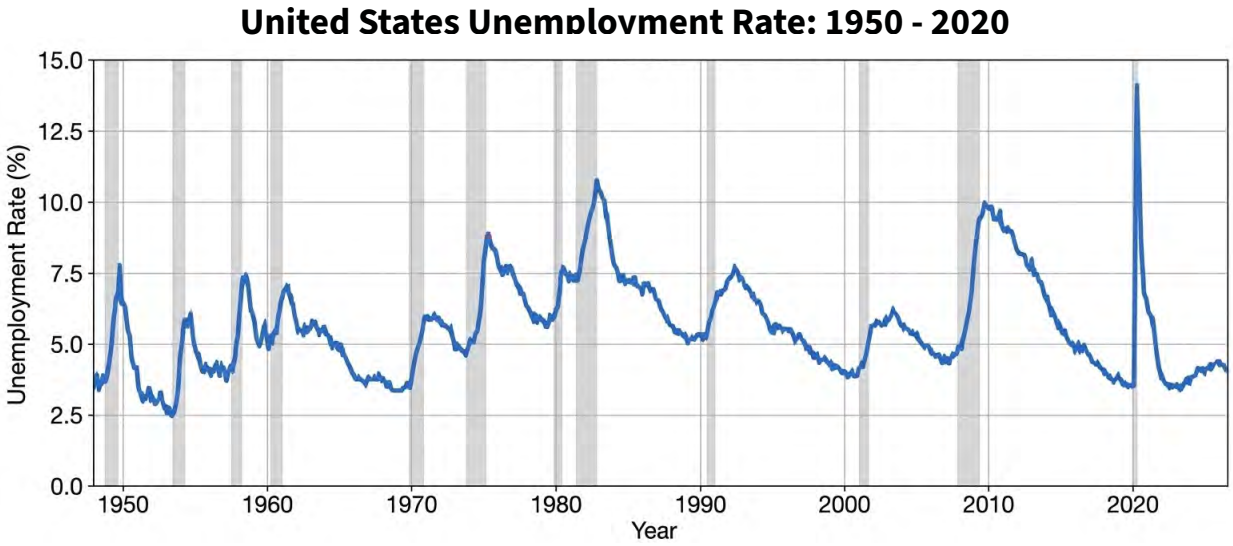
In both these cases, were the job losses prominent and painful? Certainly yes. Was it possible to foresee the growing demand for factory machine operators and coal miners as cottage industry textile workers lost their jobs? Probably not. Was it possible to foresee the increase in demand for software engineers as typists were losing their jobs? Probably not. Were the same people who lost the jobs, got the new jobs? Probably not.

Global population vs unemployment rate

If this is still unconvincing and you need more hard statistics, the graphs showing the growth in global population and the unemployment rate in US (in the absence of global data into distant history) clearly shows while the global population steadily grew, the unemployment rates have not spiked subsequent to major technological disruptions. This further statistically underlines the notion that whatever new jobs created, more than compensated for the lost jobs.



Source: U.S. Census Bureau, International Data Base, June 2011 Update



Source: U.S. Bureau of Labor Statistics (Seasonally Adjusted Unemployment Rate); Recessions (NBER)

Is it different this time?

History is all good and fine, but isn't it different this time? Yes and no. Every time in the past was also new and unique at the time of happening. Every time it was unclear what new jobs and opportunities would be created in the future. And every time there was real pain among a lot of people through loss of jobs. All that will be the same this time too.

While the water is still murky and the dust hasn't settled (or the capex frenzy on AI of hyperscalers is yet to come down to earth) there are early signs of increasing demand for jobs such as cyber security analysts, machine learning specialists and prompt engineers. Many more jobs and even industries are likely to emerge in the coming years. Could anyone have imagined real income generating avenues such as social media influencers (currently well over 50 million), as recently as just 10 years ago?

On another dimension, as per Prof Richard Cooper of Harvard University, the work week has reduced from 60 hours 125 years ago to less than 40 hours now. Considering the paid leave and public holidays, the annual work times are even less with more attention given to leisure and well-being. The future may even hold a four-day work week in the age of AI as human productivity increases multiple times.

Let's be realistic. If AI actually does replace humans, it will be the end of humanity. If it is apocalypse, we have a bigger problem to worry about than merely losing our jobs!

Conclusion

The demand for the right skilled human will still be in tact in the future, who will be more productive with the use of AI, and thereby earning a higher pay, and working a lesser number of hours every year, with more time spent on leisure and wellbeing. Sounds like a good deal!


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