# Introduction

Artificial intelligence (AI) is evolving in every single aspect of the human life, from healthcare to manufacturing and beyond, promising efficiency and innovation at unpredictable scales. However, alongside opportunities, AI also brings with it serious ethical concerns. For example, the risk of job displacement stands out obviously, as AI systems took over the tasks that once performed by humans, there’s a significant potential for unemployment, social inequality and economic dislocation (Burton et al., 2017). Thus, it is crucial to understand these challenges to design proper policies, frameworks and ethical guardrails that can minimize the harm while also benefiting from AI. The tension between progress and risk is also a hot topic in both global and national as reflected in Australia’s proposal for mandatory AI guardrails in high-risk settings (Australian Government, 2024) and Malaysia’s MOSTI guidelines on AI Governance & Ethics (MOSTI, 2024).

This report will focus on the ethical importance of AI-driven job displacement, especially in white-collar and mid-level occupations. The purpose is to examine how automation and generative AI (genAI) tools may reshape industries and employment patterns, the potential harms, such as economic inequality, deskilling, and loss of meaning in work and how existing policy proposals both national and international frameworks address or fail to address these harms. This topic was chosen because while existential risks of AI such as superintelligence tends to dominate headlines, the more immediate widespread effects of displacement are affecting millions now (Burton et al., 2017; Salari et al., 2025).

The central research questions are:

1. What are the main ethical issues that arise when AI displaces work, beyond simply loss of jobs?
2. How do proposal address responsibility, fairness, reskilling, and stakeholder agency?
3. How should principles of Responsible AI or AI Ethics be interpreted or modified to better protect workers?

The key issues to be explored include aspects like differential effects on various skill levels and socio-economic groups, reskilling upskilling and education policy, accountability mechanisms for corporate and government actors, dignity, autonomy, and justice as normative concerns.

To conduct this analysis, I will utilize a combination of sources: the three base documents for this course, incorporation of other texts (Burton et al.; Australian Government proposal; MOSTI's guidelines), peer-reviewed journal articles, policy reports, and credible news/think tank pieces. The approach will be comparative: how do different frameworks (e.g. Australia vs. Malaysia) treat work displacement, ethical/theoretical work on fairness, human dignity, and empirical evidence (latest studies on job trends, skill shifts). The scope will not include highly technical AI safety issues (e.g. alignment, adversarial robustness) and instead focus on societal, ethical, and governance dimensions of displacement.

This part is structured to be followed by the rest of the report. Following this introduction, Section 2 will address the current landscape: contemporary evidence of AI-induced displacement with changing exigencies for skill, while Section 3 will look at ethical frameworks and principles-how current responsible AI/policy proposals are addressing or failing in addressing the harms to workers. Last, Section 4 juxtaposes the case studies (one from Malaysia or the Southeast Asia region and one from a developed economy) to show real outcomes. Finally, Section 5 provides a way forward for ethical policy, along with a final reflection on subsequent developments.