AI revolution puts skilled jobs at highest risk, OECD says

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Major economies are on the “cusp of an AI revolution” that could trigger job losses in skilled professions such as law, medicine and finance, according to an influential international organisation. The Organisation for Economic Co-operation and Development (OECD) said the occupations at highest risk from AI-driven automation were highly skilled jobs and represented about 27% of employment across its 38 member countries, which include the UK, Japan, Germany, the US, Australia and Canada. The body said it was “clear that the potential for [AI-driven jobs] substitution remains significant, raising fears of decreasing wages and job losses”. However, it added that for the time being AI was changing jobs rather than replacing them. “Occupations in finance, medicine and legal activities which often require many years of education, and whose core functions rely on accumulated experience to reach decisions, may suddenly find themselves at risk of automation from AI,” said the OECD. It added that highly skilled occupations were most exposed to AI-powered automation, such as workers in the fields of law, culture, science, engineering and business. AI breakthroughs had resulted in cases where output from AI tools – such as ChatGPT – was indistinguishable from that of humans. As a result, major economies could be at a tipping point, the OECD said. “These rapid developments, combined with the falling costs of producing and adopting these new technologies, suggest that OECD economies may be on the cusp of an AI revolution which could fundamentally change the workplace,” the organisation said in its 2023 employment outlook, which refers to an “urgent need to act” on AI. The Paris-based body said: “Urgent action is required to make sure AI is used responsibly and in a trustworthy way in the workplace.” It said the UK, Luxembourg and Sweden had the lowest shares of employment in the occupations at highest risk, with the US also at the lower end of the scale, while Hungary, Slovakia, Poland and the Czech Republic had the highest shares, with Germany and Italy also at the higher end of the table. The OECD said data indicated that economies were on the “brink” of a revolution rather than being in midst of one, with the share of firms that had adopted AI remaining in the single digits, due in part to issues related to cost and workforce skills. The OECD added that while AI had the potential to eliminate boring or dangerous tasks and create interesting ones instead, firms were open about the fact that a main motivation for investing in AI was improving worker performance and reducing staff costs. As a consequence, well-paid jobs requiring high-end education could suffer most. The OECD also outlined risks associated with the likelihood of AI’s growing influence over the workplace. Those included AI tools making hiring decisions, with the risk of falling foul of biased AI-driven decisions “greater for some socio-demographic groups who are often disadvantaged in the labour market already”. Evidence of gender and racial bias in AI-powered hiring processes has emerged in recent years and the issue of AI-driven prejudice has become one of the key safety concerns about the technology.