

# You and AI: **The Future of Work**

Professor Joseph E. Stiglitz

AI is more than just the continuation of  
the process of advances in technology



AI is more than robots  
which are stronger  
than humans



AI is more than machines that can process information faster than humans and store and recall information better than humans



AI is about machines  
that can learn faster  
than humans

In many areas – even quite  
complicated areas – machines  
will be able to replace humans





**OTTO**

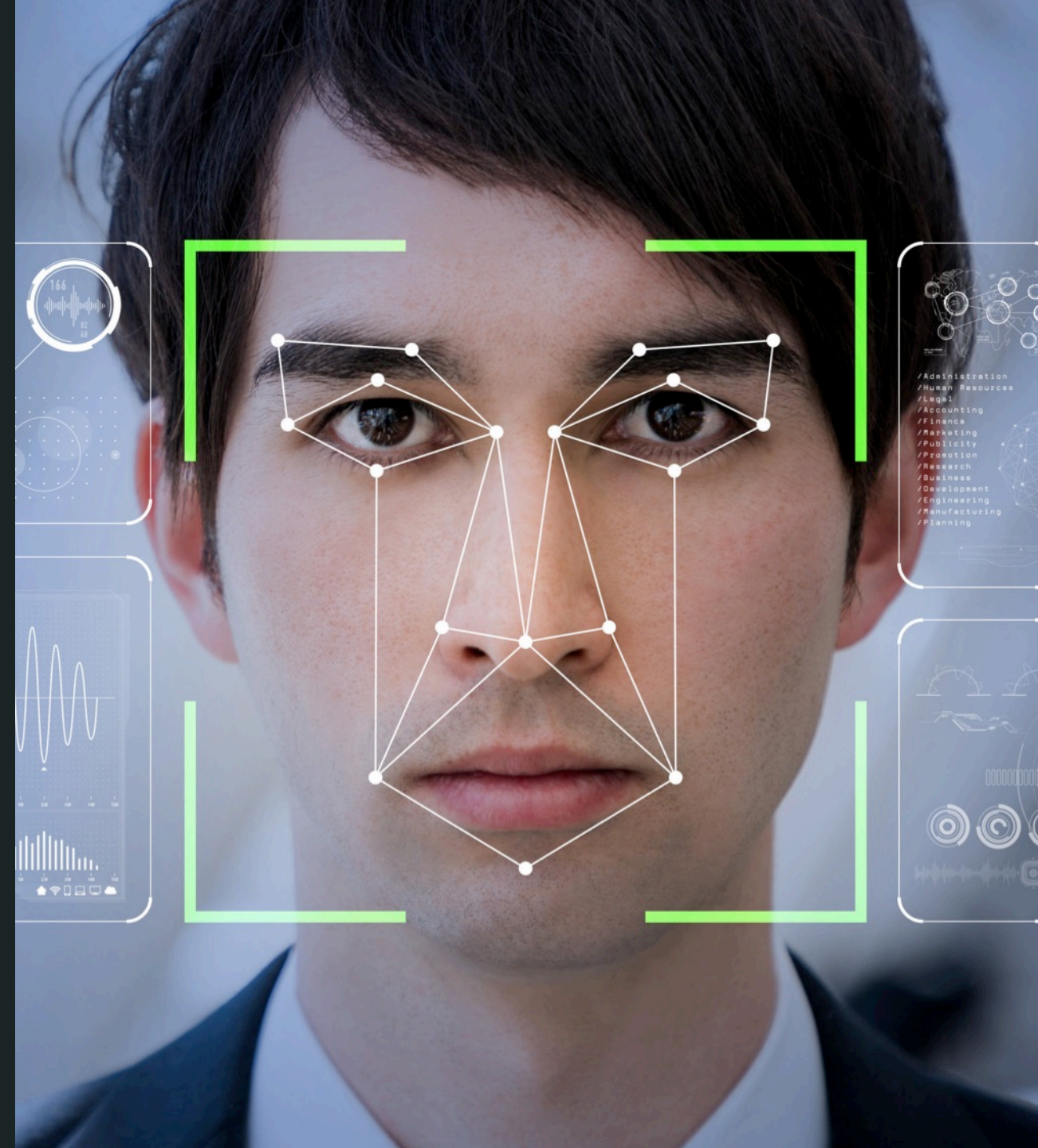
California  
9F50776



In these areas, robots are actually better than humans but problems have been detected.

Their capabilities depend on the data that they are given.

In some areas which seem to require only modest skills, machines have had difficulties... but there has been some progress.



# Human Replacing Machines (AI) vs. Human Assisting Machines (IA)

For the intermediate future, only 30 to 40% of jobs are at threat

Machines may also increase the productivity and effectiveness of humans

The balance of the two will depend in part on the extent to which we increase skills in labour force

## Differing impacts of AI and IA on labour markets

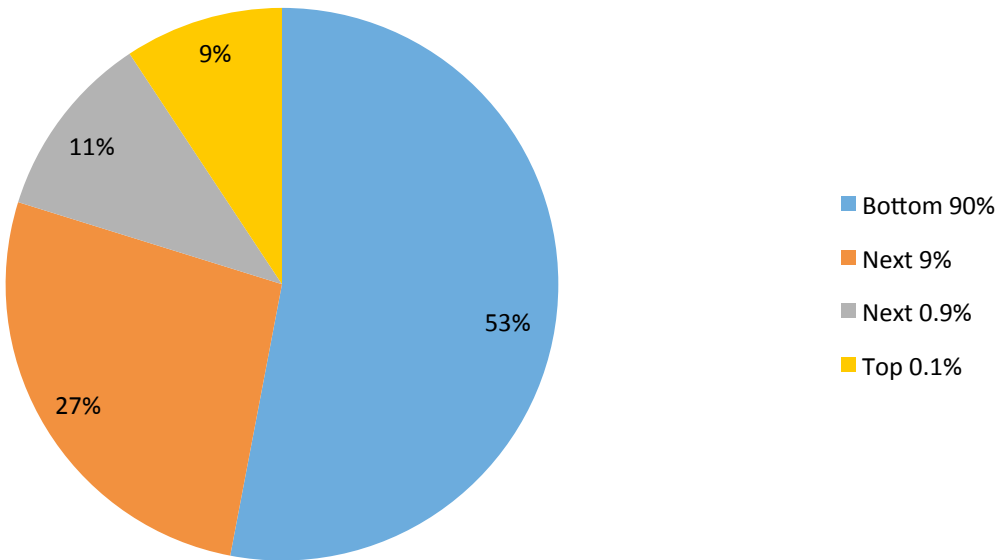
AI is likely to reduce demand for labor, especially unskilled labour; IA is likely to increase it

In either case, the size of national pie will be larger – increased productivity allows more output from society's limited resources

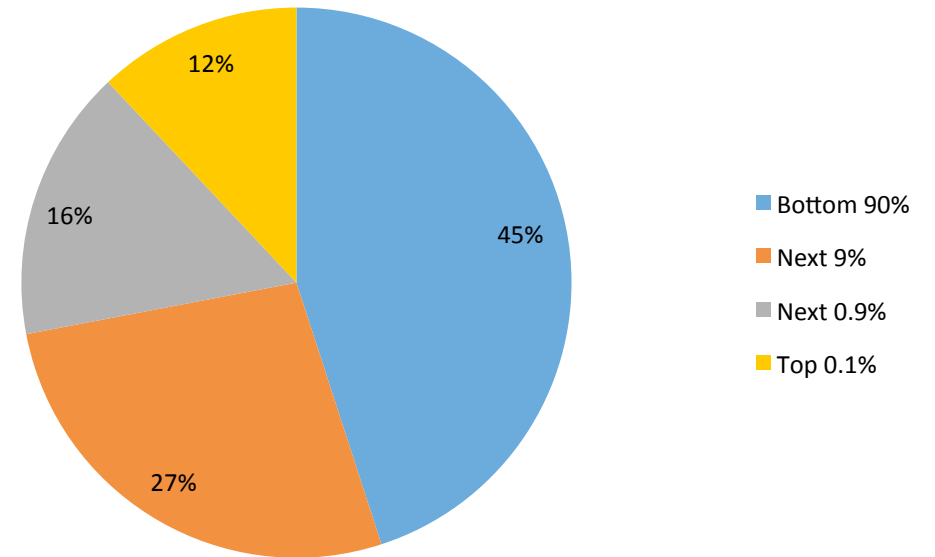


# Share of National Income

## Current

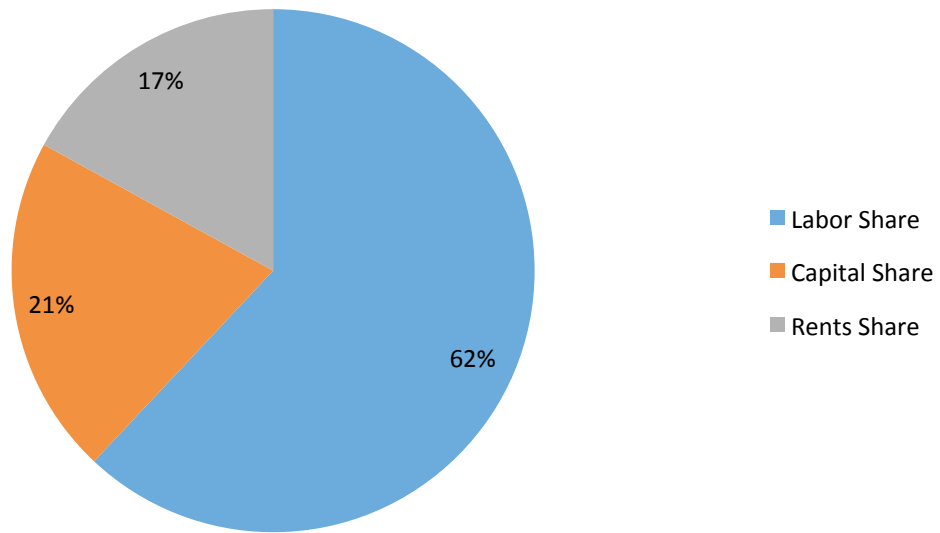


## Future

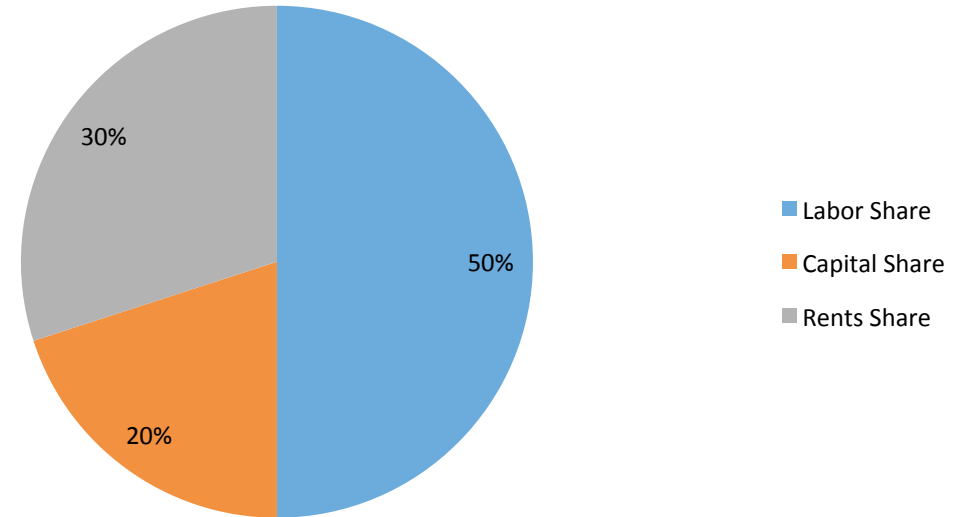


# Share of Labor, Capital and Rents

## Current



## Future



**FREE  
SOUP COFFEE & DOUGHNUTS  
FOR THE UNEMPLOYED**

**HORAN  
BAILIFF**

**PARKING 25**

**FREE SOUP  
&**



Image courtesy of National Archives and Records Administration

It depends on government policies

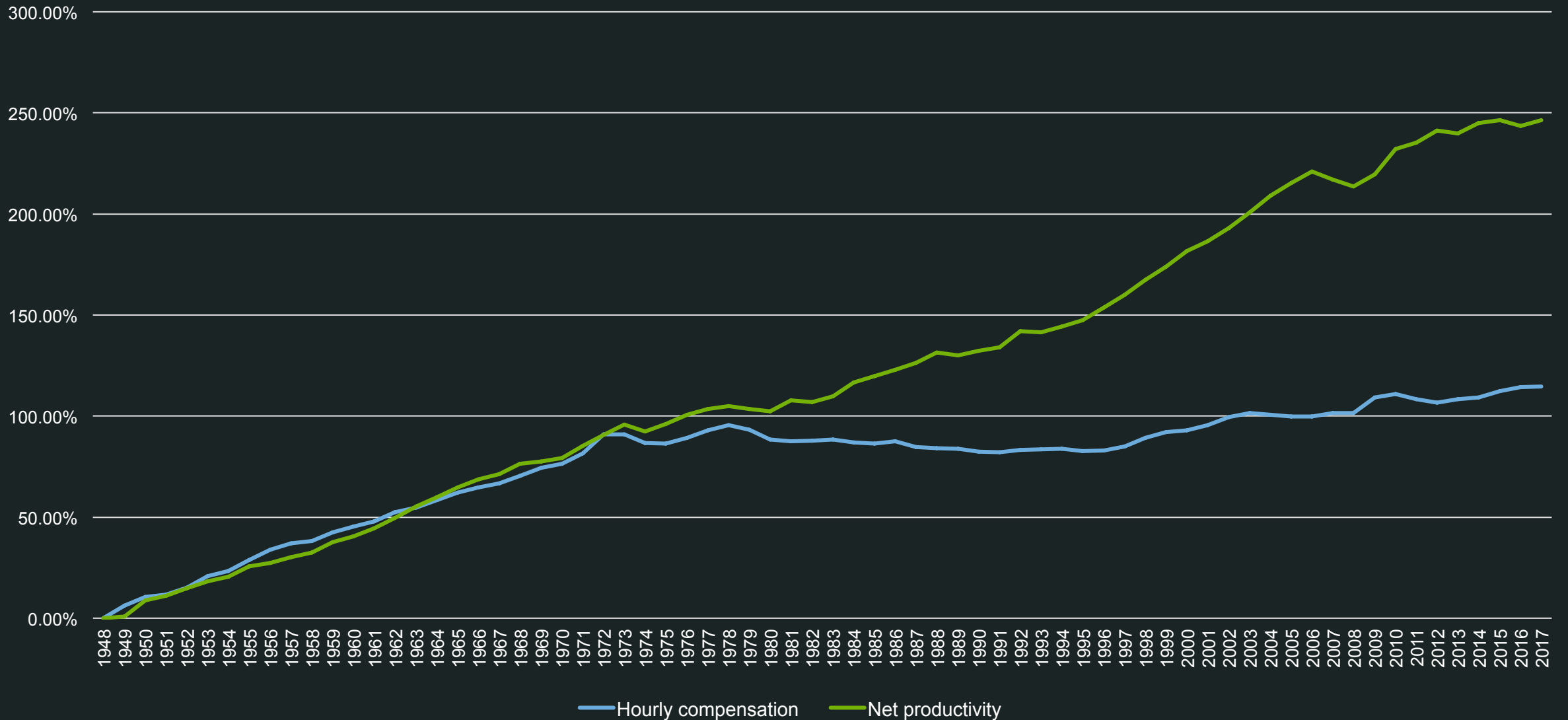
# It depends on government policies

With the right government policies in place, there can be full employment and workers can share in the fruits of the enhanced growth

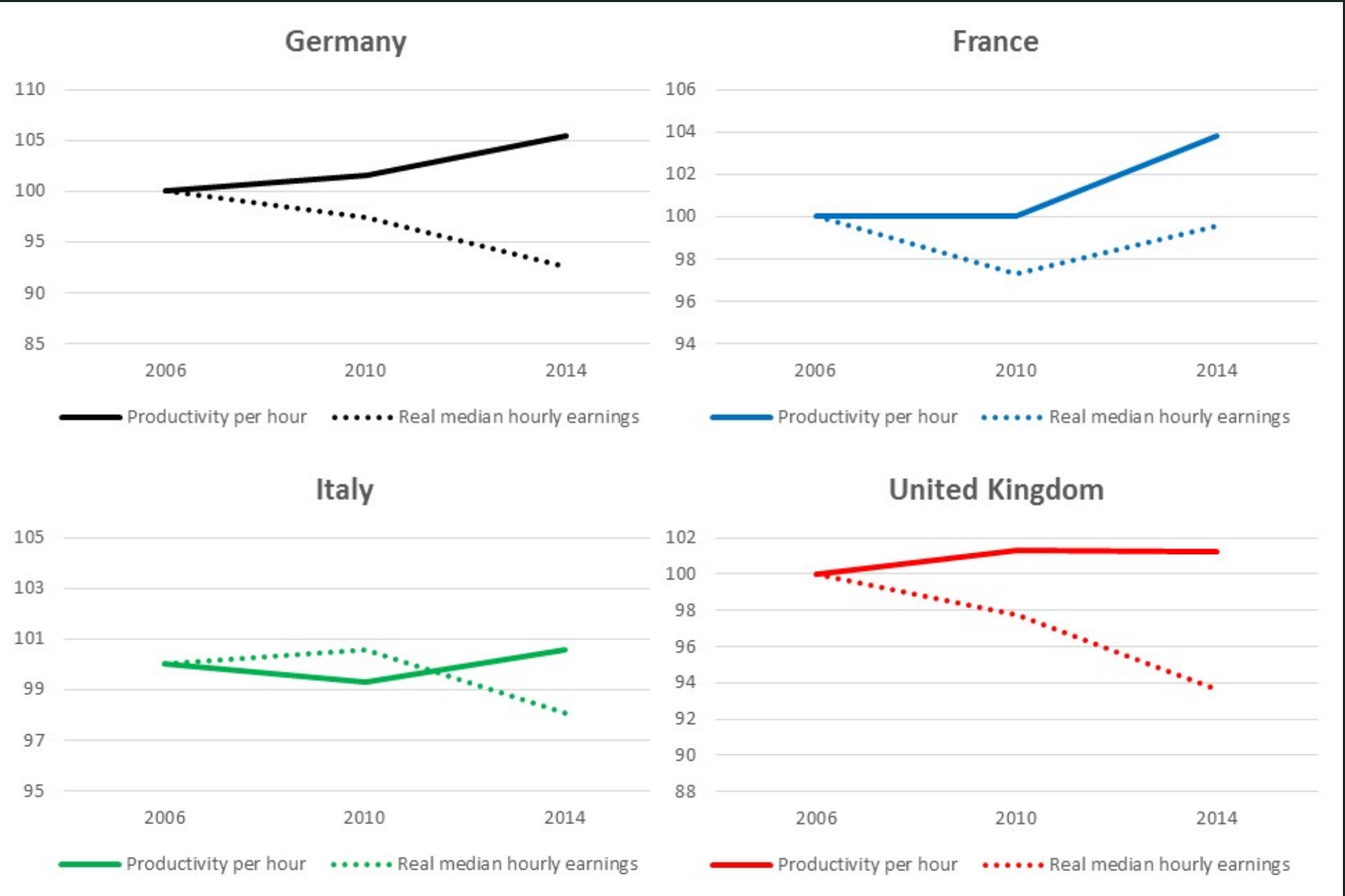
With the wrong government policies, unemployment can increase, and workers can be worse off



# US: disconnect between productivity and a typical worker's compensation, 1948-2017

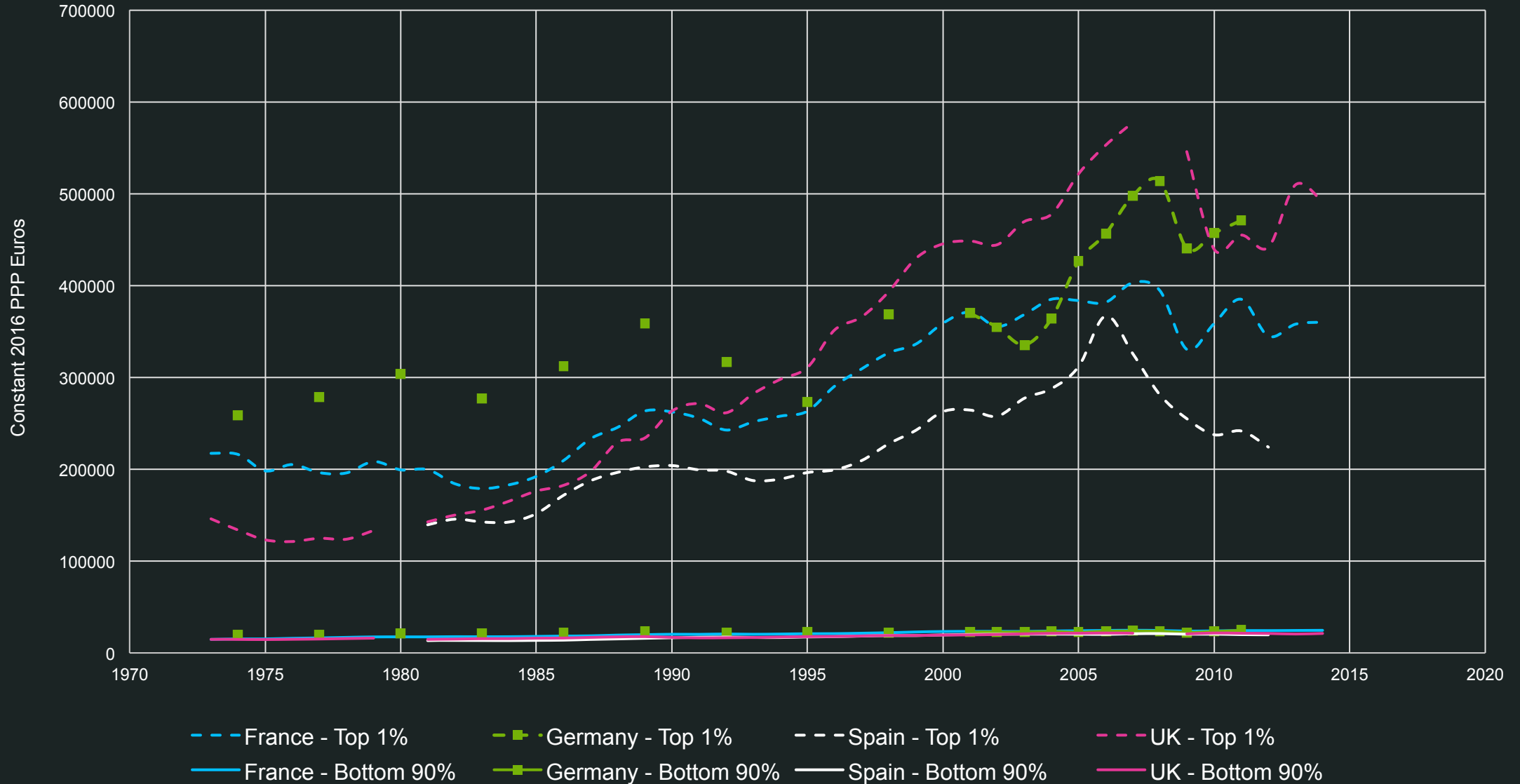


# Europe: disconnect in productivity and compensation

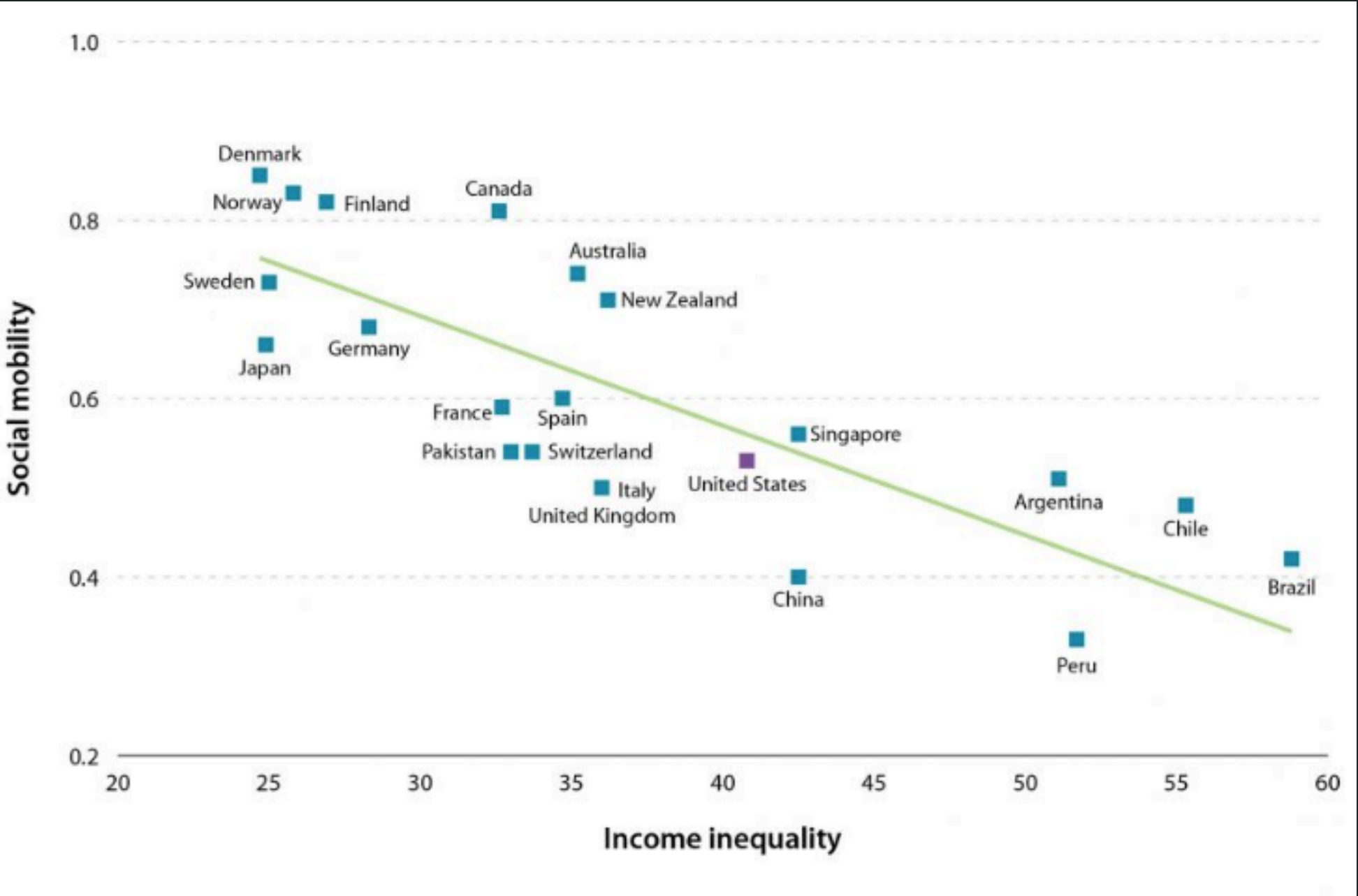


# Europe: less increase in inequality in some countries than in others

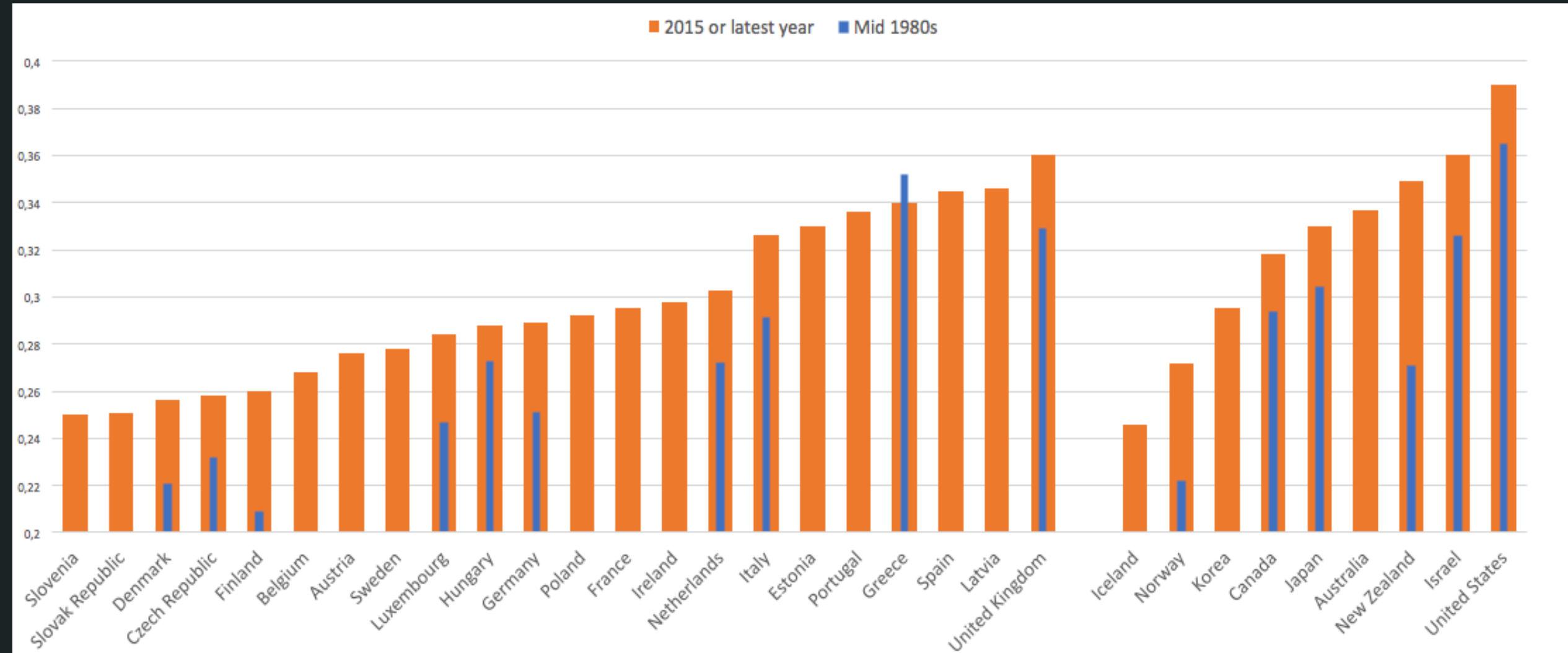
## Average income

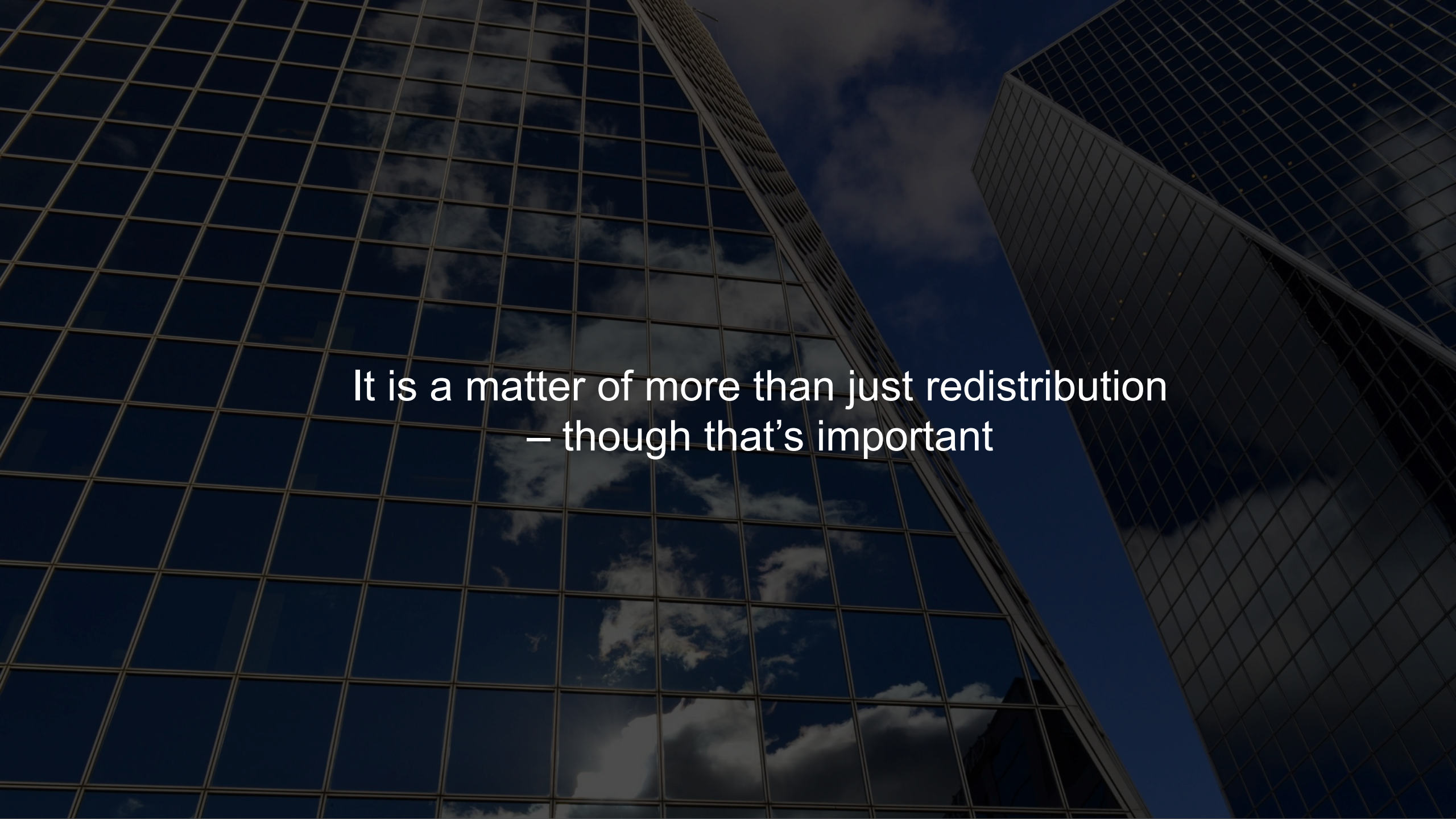


The relationship between income inequality and social mobility



## Gini Coefficient of disposable income in 2015 (or latest year) and mid-1980s (when available)





It is a matter of more than just redistribution  
– though that's important

# MAXIMUM ANNUAL TUITION FEES FOR HOME STUDENTS AT UNDERGRADUATE LEVEL



ENGLAND



SCOTLAND



WALES




NORTHERN IRELAND

A row of five chess pieces is shown against a dark, teal background. From left to right, the pieces are: a red pawn, a green king, a yellow pawn, a blue rook, and a black rook. The pieces are arranged in a slightly staggered line, with the king being the tallest and the pawns being the shortest. The text "Basic rules of the game" is centered over the pieces in a white, sans-serif font.

# Basic rules of the game



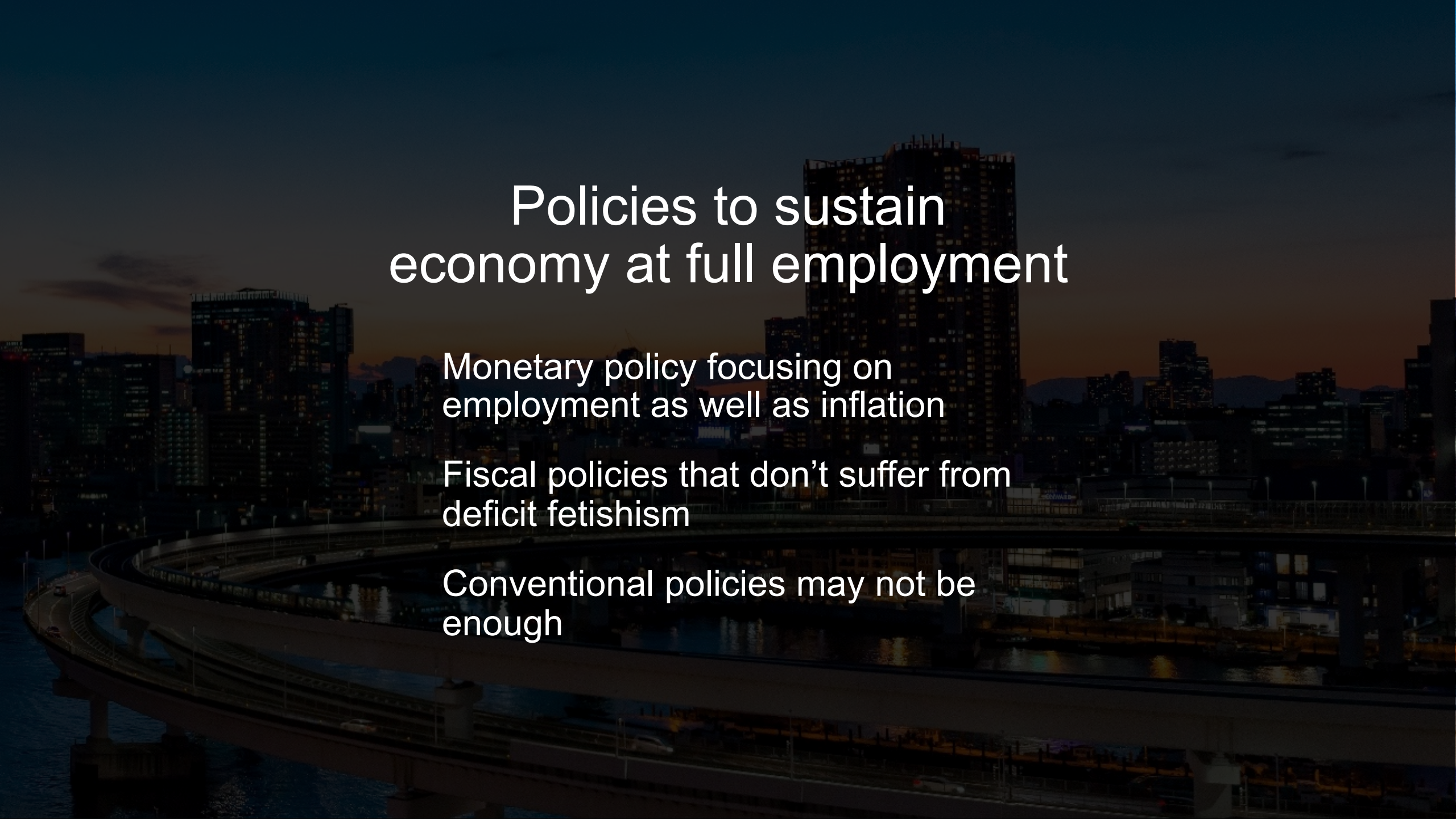


# Policies to increase demand for (unskilled) labour

**Improving** productivity

**Helping** restructure economy

**Recognizing** that important services have to be publicly provided or at least supported



# Policies to sustain economy at full employment

Monetary policy focusing on  
employment as well as inflation

Fiscal policies that don't suffer from  
deficit fetishism

Conventional policies may not be  
enough

With the right policies in place, AI can usher in a new era of shared prosperity, with meaningful work for all those who desire it.