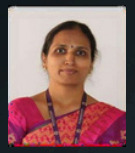
ARTIFICIAL INTELLIGENCE AND ITS SOCIO-ECONOMIC IMPLICATIONS ON EMPLOYMENT IN EMERGING ECONOMIES

CHIEF EDITOR



Dr.P.Vidhya
Associate Professor & Head,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

EDITORIAL COMMITTEE MEMBERS

Dr.D.Renukadevi,
Assistant Professor,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

Dr.P.Manochithra
Assistant Professor,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

Dr.M.Devaki
Assistant Professor,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

Mr.N.Devaram
Assistant Professor,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

STANZALEAF PUBLICATION

stanzaleafpublication@gmail.com

₹699

ISBN 978-81-991002-9-9

www.stanzaleafpublication.in

ARTIFICIAL INTELLIGENCE AND ITS SOCIO-ECONOMIC IMPLICATIONS ON EMPLOYMENT IN EMERGING ECONOMIES

ARTIFICIAL INTELLIGENCE AND ITS SOCIO-ECONOMIC IMPLICATIONS ON EMPLOYMENT IN EMERGING ECONOMIES

CHIEF EDITOR

Dr. P. Vidhya

PUBLISHED BY

STANZALEAF PUBLICATION

INTERNATIONAL CONFERENCE ON ARTIFICIAL INTELLIGENCE AND ITS SOCIO-ECONOMIC IMPLICATIONS ON EMPLOYMENT IN EMERGING ECONOMICS

CONFERENCE PROCEEDINGS

Editors in Chief

Dr. P. VIDHYA

Associate Professor & Head

Department of B.Com Corporate Secretaryship

Sri Ramakrishna College of Arts & Science (Autonomous),
Avinashi Road, Nava India, Coimbatore – 641 006.
08th September- 2025

PUBLISHED BY
STANZALEAF PUBLICATION

14. ETHICAL AI AND ITS ROLE IN SUSTAINABLE ENTREPRENEURSHIP IN EMERGING MARKETS

[1]Dr. N. SELVAKUMAR, [2]Ms. A.SHENPAGA HARSHINI ---------- 70 - 74

15. THE ROLE OF AI IN DEVELOPING ECONOMIES: OPPORTUNITIES AND CHALLENGES

Ms. S. SRUTHIKA ---------- 75 – 80

16. IMPACT OF ECONOMIC TRANSFORMATION THROUGH AI

Ms. N.YADHUMITHA ---------- 81 – 85

17. A STUDY ON ARTIFICIAL INTELLIGENCE IN PUBLIC SERVICES AND GOVERNANCE

Ms. VARSHINI T ---------- 86 – 89

18. EMPOWERING WOMEN ENTREPRENEURS: AI-DRIVEN STRATEGIC PORTFOLIO MANAGEMENT FOR RISK MITIGATION AND SATISFACTION

[1]Dr. Shabana. S, [2]Nayana Ravindran ---------- 90 – 96

19. AI IN FOOD & BEVERAGE ENTREPRENEURSHIP: PREDICTING CONSUMER PREFERENCES IN EMERGING MARKETS

R.Rajan [1], S.Harish [2] ---------- 97 -102

20. ECONOMIC TRANSFORMATION THROUGH AI

[1]ROHITH K S, [2]SARVESHWAR S, [3]VIPIN S ---------- 103 - 107

21. AI AND ENTREPRENEURSHIP IN EMERGING MARKETS

[1]Dr.U.Praveen, [2]Dr.H.Punithavathy ---------- 108 - 113

22. AI AND ENTREPRENEURSHIP IN VIEW OF INDIAN RETAIL MARKETING

Dr. Swadesh Deepak ---------- 114 - 124

23. AI AND ENTREPRENEURSHIP IN EMERGING MARKETS

[1]Navaneethan.S, [2]Mukundan Kandasamy.S, [3]Sivaranjini.M ---------- 125 - 129

24. AI IN PUBLIC SERVICE AND GOVERNANCE

[1]Mr. M. Senthur, [2]Mr. S. Ranjith Kumar ---------- 130 - 134

25. IMPACT OF ARTIFICIAL INTELLIGENCE ON SOCIETY

[1]Dr. VANITHA. P, [2]Dr. MOHANA PRIYA .M ---------- 135 - 140

26. ARTIFICIAL INTELLIGENCE AND THE CONTEMPORARY ECONOMY: A SOCIO-ECONOMIC STUDY OF DEVELOPMENT, JOBS, AND INEQUALITY

[1]Dr. MOHANA PRIYA .M, [2]Dr. VANITHA P ---------- 141 - 145

27. ARTIFICIAL INTELLIGENCE AND ITS SOCIO-ECONOMIC IMPLICATIONS ON EMPLOYMENT IN EMERGING ECONOMIES

[1]Haripriya. TM, [2]John Joseph D ---------- 146 - 153

28. AI AND THE FUTURE OF WORK IN EMERGING ECONOMIES

[1]Deva Dharsini. S, [2]Gowri Chandra. M ---------- 154 – 159

ISBN: 978-81-991002-9-9

26. ARTIFICIAL INTELLIGENCE AND THE CONTEMPORARY ECONOMY: A SOCIO-ECONOMIC STUDY OF DEVELOPMENT, JOBS, AND INEQUALITY

[1]Dr. MOHANA PRIYA .M, [2]Dr. VANITHA P

Assistant Professor and Research Supervisor

Department of Commerce

Vels Institute of Science, Technology and Advanced Studies, Pallavaram, Chennai

Email id: mpshivangmcks@gmail.com

Assistant Professor and Research Supervisor

Department of Commerce

Vels Institute of Science, Technology and Advanced Studies, Pallavaram, Chennai

Email id: mpshivangmcks@gmail.com

ABSTRACT

Artificial Intelligence (AI) is reshaping the global economy by boosting productivity, improving resource utilization, and redefining labour markets. Although AI-powered automation enhances efficiency, it also brings challenges such as job losses, wage inequality, and broader economic disparities. This study investigates the economic effects of AI, with emphasis on its influence on industrial automation, financial systems, and innovation-led growth. It also explores the shifts in labour markets, including changes in employment patterns, the rising need for new skill sets, and the impact on income distribution. By comparing AI adoption in advanced and developing nations, the research evaluates policy measures aimed at reducing inequality. The results highlight the importance of forward-looking policies, large-scale reskilling initiatives, and flexible regulatory frameworks to promote inclusive and balanced growth in the age of AI.

KEYWORDS: Artificial Intelligence, productivity, economic effects and technologies.

INTRODUCTION

Artificial Intelligence (AI) has emerged as a key driver of economic transformation, reshaping industries, labor dynamics, and the distribution of wealth. By automating repetitive tasks, streamlining business operations, and improving decision-making, AI technologies boost productivity and foster economic growth. At the same time, their rapid deployment raises critical socio-economic concerns, particularly around job losses, wage inequality, and the concentration of wealth. This research offers a comprehensive view of AI's dual impact—its capacity to stimulate economic development alongside the challenges it creates for employment and income equity. The influence of AI is evident across multiple domains, including manufacturing, finance, healthcare, and digital services. The integration of robotics, machine learning, and big data analytics has enhanced efficiency, lowered operational

ISBN: 978-81-991002-9-9

expenses, and fueled innovation. Evidence indicates that AI-driven automation strengthens production capacity, optimizes supply chains, and improves service delivery, thereby enabling businesses to achieve greater profitability and contribute to broader economic growth.

RESEARCH OBJECTIVES

- ✓ To assess AI's contribution to economic growth and productivity.
- ✓ To evaluate AI's impact on labor markets, employment trends, and wage structures.
- ✓ To analyze the role of AI in economic inequality and wealth distribution.
- ✓ To examine policy responses to AI-induced economic changes.
- ✓ To propose policy recommendations for sustainable and inclusive AI-driven economic growth.

RESEARCH METHODOLOGY

This study employs an analytical research design, incorporating both doctrinal and empirical approaches. The data is primarily drawn from government publications, academic research, and financial records of higher education institutions. The analysis is largely based on secondary sources, including existing literature, official reports, books, scholarly journals, research papers, and online articles.

AI AND ECONOMIC GROWTH

Artificial Intelligence (AI) plays a crucial role in shaping the modern economy by increasing productivity, transforming financial markets, and fostering innovation. AI-driven systems optimize decision-making, automate repetitive tasks, and create new business opportunities. This section explores AI's impact on economic growth through productivity gains, financial markets, and entrepreneurship.

AI-Driven Productivity Gains: AI enhances productivity by improving efficiency in production, logistics, and decision-making. Companies use AI- powered automation, robotics, and data analytics to streamline manufacturing processes and supply chain operations. AI reduces operational costs and increases output by minimizing human errors and optimizing resource allocation. Studies show that industries that integrate AI into their workflows experience higher growth rates and improved efficiency (Brynjolfsson & McAfee, 2017).[6] AI revolutionizes financial markets by enabling algorithmic trading, risk assessment, and digital banking. Machine learning algorithms process vast amounts of financial data in real time, helping investors make informed decisions. AI-driven predictive models identify market trends, optimize trading strategies, and minimize risks (Krauss, Do, & Huck, 2017).[7] AI fosters entrepreneurship and business transformation by enabling startups to develop AI-driven solutions. Startups use AI for customer service automation, product

recommendations, fraud detection, and personalized marketing (Gans, Goldfarb, & Agrawal, 2019).[8]

AI'S IMPACT ON EMPLOYMENT AND WAGES

Artificial Intelligence (AI) is reshaping the labor market by influencing job displacement, skill demand, and wage structures. While AI eliminates routine- based jobs through automation, it also creates opportunities in high-tech industries. However, the transition is not uniform across all sectors, leading to skill gaps and wage polarization. This section explores the job displacement vs. job creation debate, the growing demand for AI skills, and the impact of AI on labor market inequality.

AI-driven automation is replacing routine and repetitive jobs while simultaneously creating new high-skilled employment opportunities. Traditional industries such as manufacturing, retail, and administrative services experience job losses due to robotic automation, whereas high-tech sectors see job growth in AI development, data science, and cybersecurity (Acemoglu & Restrepo, 2020).[9] The rise of AI-driven industries has led to a growing demand for professionals with AI expertise, including machine learning engineers, data scientists, and AI ethics specialists. However, many workers in traditional sectors struggle to transition due to a lack of technical skills, creating a skill gap (Brynjolfsson & Mitchell, 2017).[10] AI-driven automation contributes to wage inequality by increasing salaries for high-skilled professionals while reducing earnings for low-skilled workers. AI-driven businesses tend to invest in skilled labor, leading to higher wages for AI specialists but wage stagnation or job losses in low-skilled sectors (Autor, 2019).[11]

AI AND ECONOMIC INEQUALITY

Artificial Intelligence (AI) is reshaping the structure of economies by shifting industries from labor-intensive to capital-intensive models, increasing market concentration, and creating disparities in AI adoption between developed and developing nations. These transformations have significant implications for labor markets, business competition, and global economic inequality. This section explores capital-labor dynamics, AI-driven economic concentration, and regional/global disparities in AI adoption. AI is accelerating the transition from labor-intensive industries, which rely on human workers, to capital-intensive industries, which depend on AI-driven automation and robotics. This shift reduces the demand for manual labor, increases reliance on AI systems, and creates challenges for workers in traditional sectors (Korinek & Stiglitz, 2021).[12] AI is contributing to market concentration by enabling large corporations to dominate industries through superior AI-driven technologies. Companies with access to big data, advanced machine learning models, and high computational power create competitive barriers for smaller firms (Zuboff, 2019).[13] AI adoption is uneven across countries, with developed economies investing heavily in AI-driven innovation, while developing nations struggle with limited access to AI infrastructure and expertise (Bughin et al., 2018).[14]

ISBN: 978-81-991002-9-9

POLICY RESPONSES AND ECONOMIC IMPLICATIONS

With Artificial Intelligence (AI) transforming the global economy, policymakers are formulating strategies to manage challenges related to workforce adaptation, wealth distribution, and market concentration. According to Manyika et al. (2017), AI-driven automation replaces routine jobs while simultaneously increasing the demand for highly skilled labor, thereby underscoring the need for large-scale reskilling initiatives and AI-focused education programs. To address widening income inequality, Acemoglu et al. (2022) propose taxation reforms—such as robot taxes and corporate AI levies—aimed at redistributing AI-generated wealth and funding social welfare schemes. Similarly, Furman and Seamans (2019) stress the importance of regulatory policies to curb AI-driven monopolistic practices, safeguard labor rights, and encourage fair and inclusive AI adoption. Collectively, these policy measures—reskilling, taxation, and regulation—are critical to ensuring that AI contributes to sustainable and inclusive economic growth.

CONCLUSION AND RECOMMENDATIONS

Artificial Intelligence (AI) is profoundly transforming economic systems by driving productivity, enabling automation, and reshaping market operations. Although AI promotes efficiency, innovation, and overall economic advancement, it also poses serious challenges, including job displacement, income inequality, and concentration of wealth. This study underscores the importance of adopting balanced policy measures that harness AI's potential for growth while addressing its adverse socio-economic consequences.

KEY FINDINGS

1. AI and Employment: AI-driven automation is reducing demand for low-skilled jobs while creating opportunities for high-skilled workers. However, without proper reskilling initiatives, a significant portion of the workforce may struggle to transition into AI-integrated industries (Manyika et al., 2017).
2. Economic Inequality: AI contributes to wealth concentration as major corporations leverage AI for market dominance, leaving smaller businesses at a competitive disadvantage (Acemoglu et al., 2022). The unequal distribution of AI resources between developed and developing economies further exacerbates this issue.
3. Regulatory Challenges: AI's rapid adoption requires strong policy interventions to prevent monopolization, ensure fair labor rights, and promote ethical AI deployment. Without clear regulatory frameworks, AI can widen socio-economic inequalities rather than bridge them (Furman & Seamans, 2019).

To ensure that AI fosters inclusive and sustainable economic growth, policymakers and industry leaders must adopt the following measures:

1. **Workforce Reskilling and Education:** Governments should implement nationwide AI

education and vocational training programs to equip workers with digital and AI-related skills. Collaboration between corporations, universities, and technical institutions is essential for creating accessible learning platforms.

2. **AI Taxation and Wealth Redistribution:** Introducing robot taxes and corporate AI levies can help redistribute AI-driven economic gains. These funds should support social safety nets, job transition programs, and research in ethical AI development.
3. **Regulatory Oversight and Ethical AI Implementation:** Governments must enforce antitrust laws to prevent AI-driven monopolization and ensure fair competition. AI policies should emphasize data transparency, algorithmic accountability, and inclusive AI access to prevent socio- economic divides.
4. **Encouraging AI Adoption in Developing Economies:** International organizations and governments should support AI infrastructure development in emerging markets, ensuring that AI's economic benefits are shared globally rather than concentrated in a few technologically advanced nations.
5. **Balancing AI Innovation and Human-Centric Policies:** While AI adoption accelerates economic growth, policies must prioritize human well-being, labor rights, and social inclusion. Ethical considerations should guide AI development to ensure that it benefits all segments of society.

REFERENCE

1. Acemoglu, D., & Restrepo, P. (2018). The race between man and machine: Implications of technology for growth, factor shares, and employment. *American Economic Review, 108*(6), pp.1488-1542.
2. Acemoglu, D., Manera, A., & Restrepo, P. (2022). Does automation exacerbate wealth inequality? *Brookings Papers on Economic Activity, 1*(2), pp.1-45.
3. Agrawal, A., Gans, J., & Goldfarb, A. (2019). *The economics of artificial intelligence: An agenda.* University of Chicago Press.
4. Autor, D. H. (2015). Why are there still so many jobs? The history and future of workplace automation. *Journal of Economic Perspectives, 29*(3), pp.3-30.
5. Baldwin, R. (2019). *The globotics upheaval: Globalization, robotics, and the future of work.* Oxford University Press.
6. Bessen, J. E. (2019). AI and jobs: The role of demand. *NBER Working Paper No. 24235.*
7. Brynjolfsson, E., & McAfee, A. (2014). *The second machine age: Work, progress, and prosperity in a time of brilliant technologies.* W.W. Norton & Company.
8. Brynjolfsson, E., Rock, D., & Syverson, C. (2018). Artificial intelligence and the modern productivity paradox. *NBER Working Paper No. 24001.*
9. Bostrom, N. (2014). *Superintelligence: Paths, dangers, strategies.* Oxford University Press.