

INTERVIEW

AI 'work-free society' may not be happier, says Banerjee of MIT

Economics Nobel laureate talks about technology, wealth and welfare links



Abhijit Banerjee, who won the Nobel Memorial Prize in Economic Sciences in 2019, says that artificial intelligence can "change education." (Photo by Katsuyoshi Tanaka)

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CAMBRIDGE, Massachusetts -- Can technological advances make people happier when income inequality and low growth are already growing problems in developed countries? Abhijit Banerjee, a professor at the Massachusetts Institute of Technology who won the Nobel Memorial Prize in Economic Sciences in 2019, says that public investment in artificial intelligence for education should be promoted to prepare for a near future in which jobs will be lost to it

Excerpts from a Nikkei interview with Banerjee edited for length and clarity:

Q: Do you think technological advances improve or exacerbate the inequality of wealth?

A: I think that technology is playing an important role in what people call "the skills premium." High-skilled workers' [such as those in information technology] relative wages have been going up, and low-skilled workers' wages have been pretty flat.

It's less obvious to me what the relationship between technology and the accumulation of wealth is. I think that the global marketplace and global preferences are much more integrated. If you happen to have the right products, the whole world is consuming them. And that changes, massively, the income distribution at the top. I think what is critical about Google is that the market for it is global. So, it is really the scale of success that has changed completely. And I think that has a lot to do with the income distribution at the very top.

Q: Artificial intelligence has the potential to take many jobs away from humans. How serious do you consider the problem that artificial intelligence poses for employment?

A: The industry that I often think about is business process outsourcing, which is very big industry in India, for example. That's an industry where a lot of the work should be increasingly doable by AI -- for example, medical transcription -- and AI will be getting better and better at doing it. Now, of course, it will depend on how flexible the wages are, and some of it will be just that the earnings of these people will be hurt. But, in the end, I think a lot of those jobs will be lost.

Now, the question that in the short term is much harder to tell, is: How many of these people will be able to upskill and become a different kind of user of AI? Education will be an important key in this.

Q: What challenges can AI solve in education?

A: Educational systems are very rigid. Teaching is something that I think some people are very good at, and others are not very good at. In principle, the best teachers in the world could be teaching you the material and you could be learning interactively with AI using that material and adjusting [it] to what you know.

One of the things that AI can do is change education. People might be higher skilled. And maybe, because people are higher skilled, we will have very different kinds of jobs.

Q: Are there other areas where AI could be put to use?

A: I think a huge part of the world still lives in places where they have access to very low-quality health care. You could imagine that if, instead of prescribing something random, the prescriber inputs the symptoms. Say there are some set questions and the prescriber says "this one, this one, this one, I see these symptoms," and it says, "OK, then do this, send him to the hospital," or whatever. People could get better health care.

It seems like that's where you need public investments. These are not big money makers -- it is more likely to be labor saving.



"I think we should consider how technology is connected with human happiness," Banerjee said. (Photo by Katsuyoshi Tanaka)

Q: Technology has made our lives much more convenient. Do you think it has made us happier?

A: I think that access has improved, but it has improved less than we think. The number of cell phones overstates that because television was already a very successful technology. Now you are watching maybe your own show, not the show that your mother wants to watch.

On the other hand, there are various studies showing that, experimentally, when you stop people's access to Facebook, they become happier. You are constantly bombarded with the images of success -- other people's success and other people's consumption. The fact that you don't have something becomes very salient in that world.

I think the other side [of access to information] is all the social media, all the stress that it causes, all the anger that is being expressed there. I don't know whether that should be taken as a social gain. I am skeptical, let's say. In India, you can pay for your bananas from the street vendor with a PhonePe app. So there is some benefit. Whether the net effect is that well-being is going up or down, that is a harder question, because I think the anxieties are also huge.

Q: Generally, a person's happiness is closely linked to employment and wages. Considering that, do you think that happiness will decline as AI replaces human labor?

A: That's a very good question. Universal basic income [in which the government guarantees a minimum income to all citizens] is an idea that gets thrown out a lot by exactly the same people who know a lot about AI -- who are maybe supporters or critics of AI. The reason is very much this idea that, look, even if these people lose their jobs, can't we provide them with money? And maybe there is a way to do that so that they don't have to work. You give them the money and maybe then they do other things -- some kind of creative work.

I think the problem with that vision is that people actually find it very difficult to occupy themselves by themselves. We have done these randomized controlled trials. One of my former students did an experiment in the Rohingya camps in Bangladesh, and in those camps what she found is that if you offer people less money but you say, "You have to work," people prefer it to getting more money but not working. There was another nice experiment in Uganda, where people were again offered, basically, the choice between working and not working, and they preferred to be paid for work than for not working.

Q: Do you think the relationship between jobs and well-being -- or jobs and happiness -- will change in the future?

A: People have typically had quite structured lives, you know. Suppose that AI replaces human labor, resulting in a society in which people do not have to work. I think telling people that "You should find your own amusement" is easy to say but actually not so easy to implement.

I think there's a real fear of, "What will I do with my time?" Certainly, one of the things you see in the U.S. where jobs have disappeared is not only income loss. You also see an enormous rise in opioid deaths and all kinds of other tragic consequences. I think we should consider how technology is connected with human happiness.

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