JOBS OUTCOMES STORY

Quantifying the Jobs Potential of AI in Latin America and the Caribbean

AT A GLANCE

REGION/COUNTRY Latin America and the Caribbean

PROGRAM/PROJECT Publication: *Buffer or Bottleneck? Employment Exposure to Generative AI and the Digital Divide in Latin America*

RESULTS

Analysis found that **30–40% of jobs in Latin America and the Caribbean are exposed in some way to generative artificial intelligence** (Gen AI), with exposure highly linked to a country's economic status. Exposed jobs are more likely to be urban, formal, and higher-paying, and to require higher education.

Between 8 and 12% of jobs in the region could see a boost in productivity by harnessing Gen AI – but up to half, some 17 million jobs, won't be able to leverage the potential benefits because of a lack of digital infrastructure.

Gen AI puts **2–5% of jobs in the region at risk of automation,** disproportionately impacting younger, educated, urban workers, and especially women. On average, women workers are twice as likely to be at risk of automation from Gen AI.

Between **13% and 22% of workers are exposed to Gen AI in contexts that could lead either to automation or augmentation,** depending on the evolution of this technology, workers' characteristics, and complementary policies.

THE CHALLENGE

Generative artificial intelligence (Gen AI) is set to potentially transform the labor market, presenting both opportunities and challenges. Studies about its possible impacts have generally focused on high-income countries. But AI might be a crucial path to greater productivity in emerging markets – or, like other recent waves of technological change, it might widen the gap between low- and high-income workers. These effects are of particular concern to Latin America and the Caribbean (LAC), one of the world's most unequal regions, and one that has struggled with a persistent productivity gap, in large part because of barriers to innovation and technology adoption. To effectively minimize the risks and leverage the benefits of Gen AI, LAC countries would need to understand their economy's occupational exposure to the technology – yet that type of assessment had never before been undertaken in the region.

WBG APPROACH

In partnership with the International Labor Organization, the World Bank produced the first analysis of the Latin American labor market's exposure to Gen AI and what it means for the hundreds of millions of workers across the region. The policy paper leveraged a rich set of harmonized household and labor force surveys, breaking down – by country, by demographic, and by sector – the jobs at risk of automation, those where AI could boost productivity, and those that might fall in between. One major consideration for this kind of analysis is that developing economies tend to adopt technology more slowly, a variable that the report conscientiously accounted for. Critically, all the data on the country level has been made publicly available online. This data is foundational to country-specific insights, informing policy responses that can leverage AI to benefit workers, grow economies, and increase prosperity for all.

LESSONS LEARNED

One of the analysis's most urgent lessons is the need to equalize digital access in developing countries. Inadequate digital infrastructure prevents countries – especially lower-income countries – from capitalizing on Gen AI, making it a major bottleneck for increasing productivity. Additionally, it is crucial to scale up the collection of high-frequency labor market data in developing countries, to move from measuring Gen AI exposure to measuring its impacts. Such data would allow the early detection of labor-displacement effects and inform evidence-based labor market policies.

NEXT STEPS

A key step will be to support governments in creating policies that minimize Gen AI's disruptions and maximize its benefits: strengthening job protection measures and social protection systems, equipping workers with skills, expanding digital infrastructure, and reducing the digital divide. Future work could also dig into the details and data gaps that limited this analysis. This includes collecting better data on the use of technology at work, on the characteristics of workers' internet access, or on how the tasks of certain types of jobs vary across countries. These methods will be updated and scaled up globally for the next World Development Report on AI.