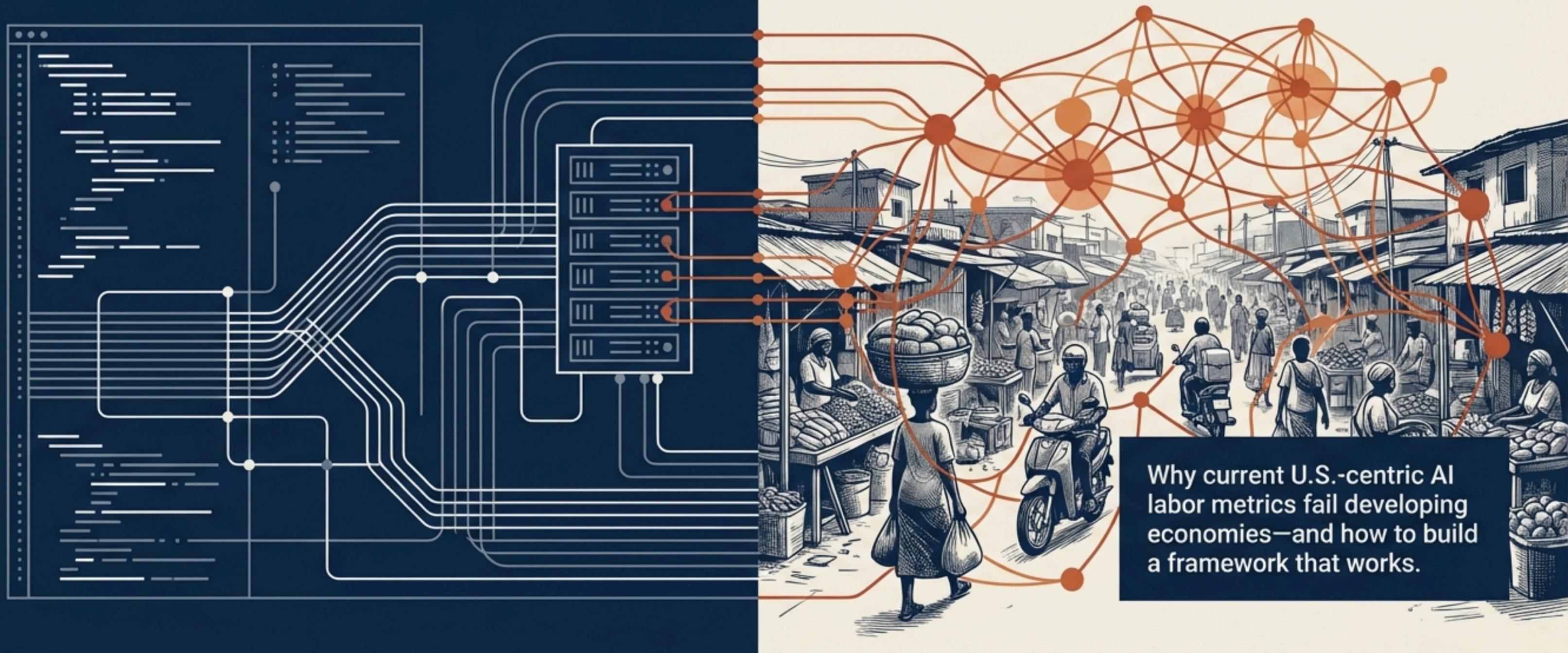
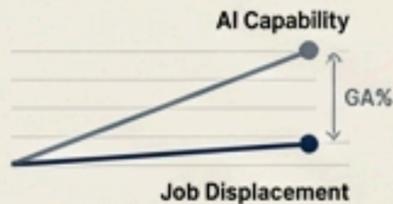
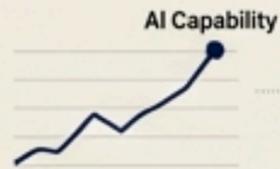


Measuring the Invisible Disruption: AI and the Global South Workforce



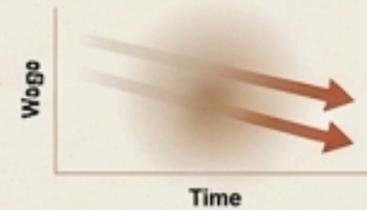
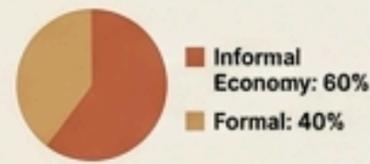
Why current U.S.-centric AI labor metrics fail developing economies—and how to build a framework that works.

The measurement gap masking a global labor shift



PART 1: THE BREAKTHROUGH

Anthropic's "Observed Exposure" metric proves AI capability outpaces real-world US job displacement.



PART 2: THE BLIND SPOT

US metrics miss the 60% of the global workforce in the informal economy, where disruption hides as wage compression.



PART 3: THE SOLUTION

Deploying the Global South AI Labor Index (GS-ALI) to track the true economic impact.

The state of the art measures actual AI usage against theoretical capability

Theoretical AI Capability

× Actual Usage Data (Claude/API)

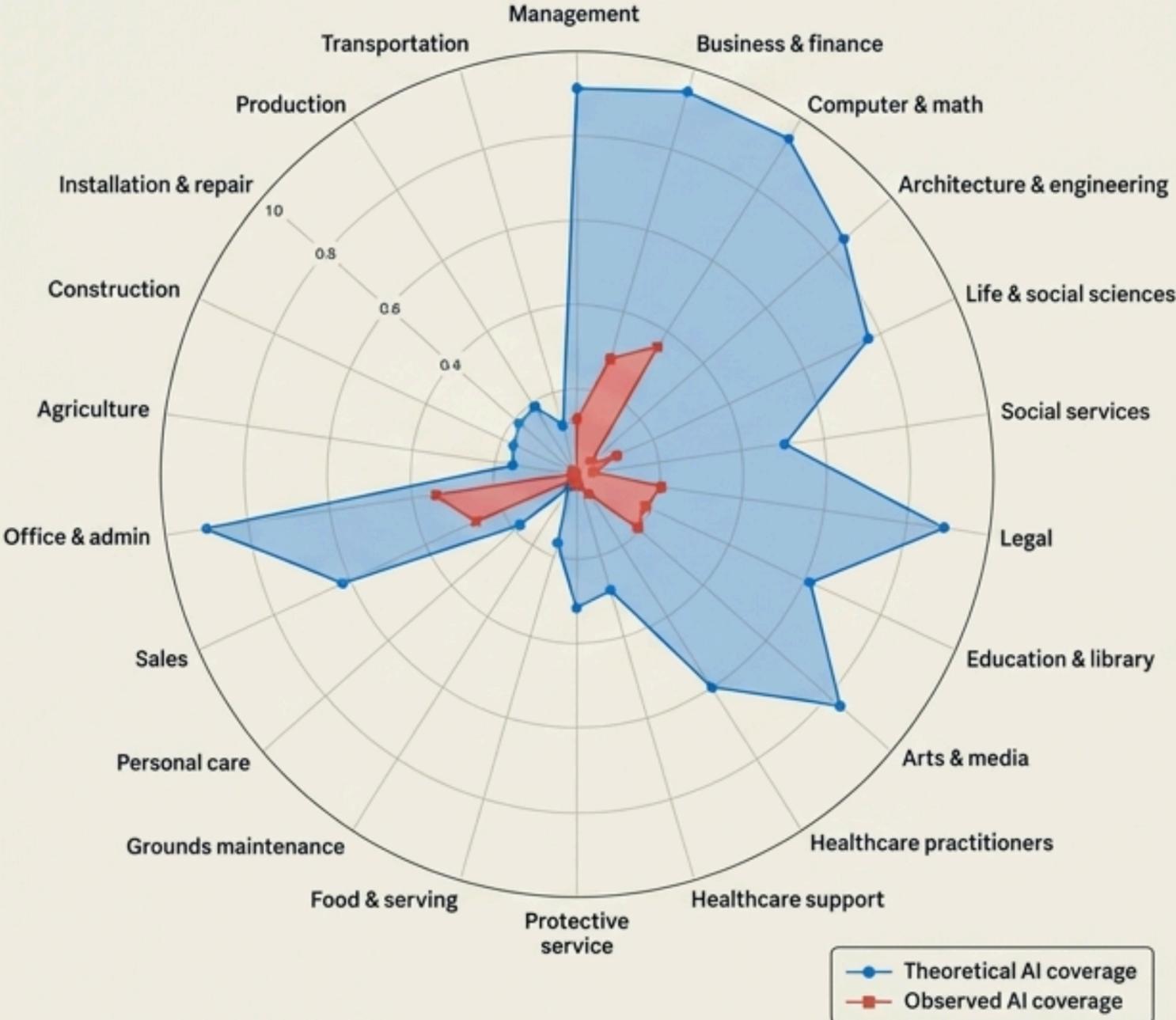
= Observed Exposure

AI is far from reaching its theoretical capability.

Claude currently covers just 33% of all tasks in the Computer & Math category.

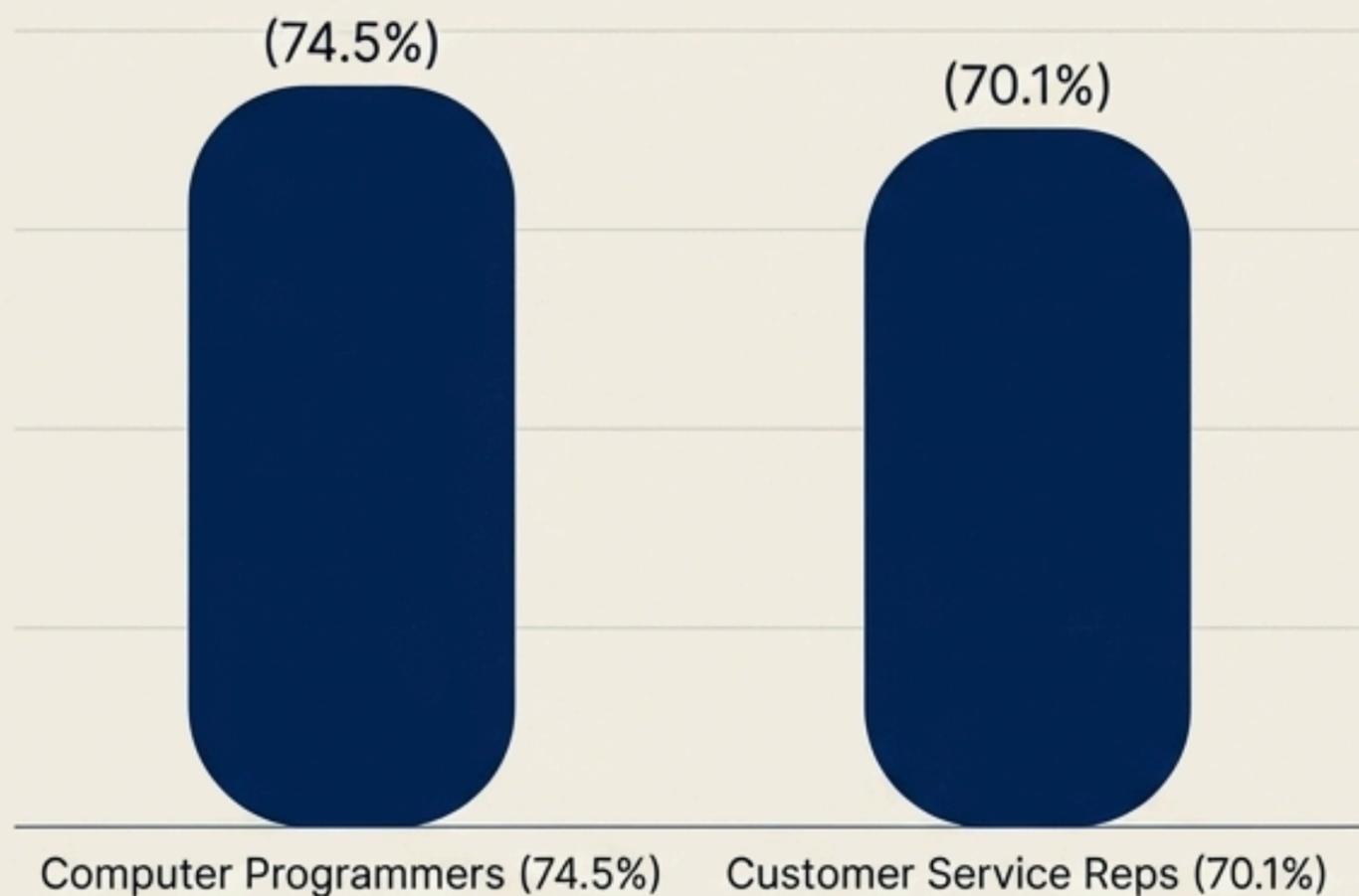
Heavy weighting is given to automated, work-related uses over simple augmentation.

Theoretical capability and observed usage by occupational category

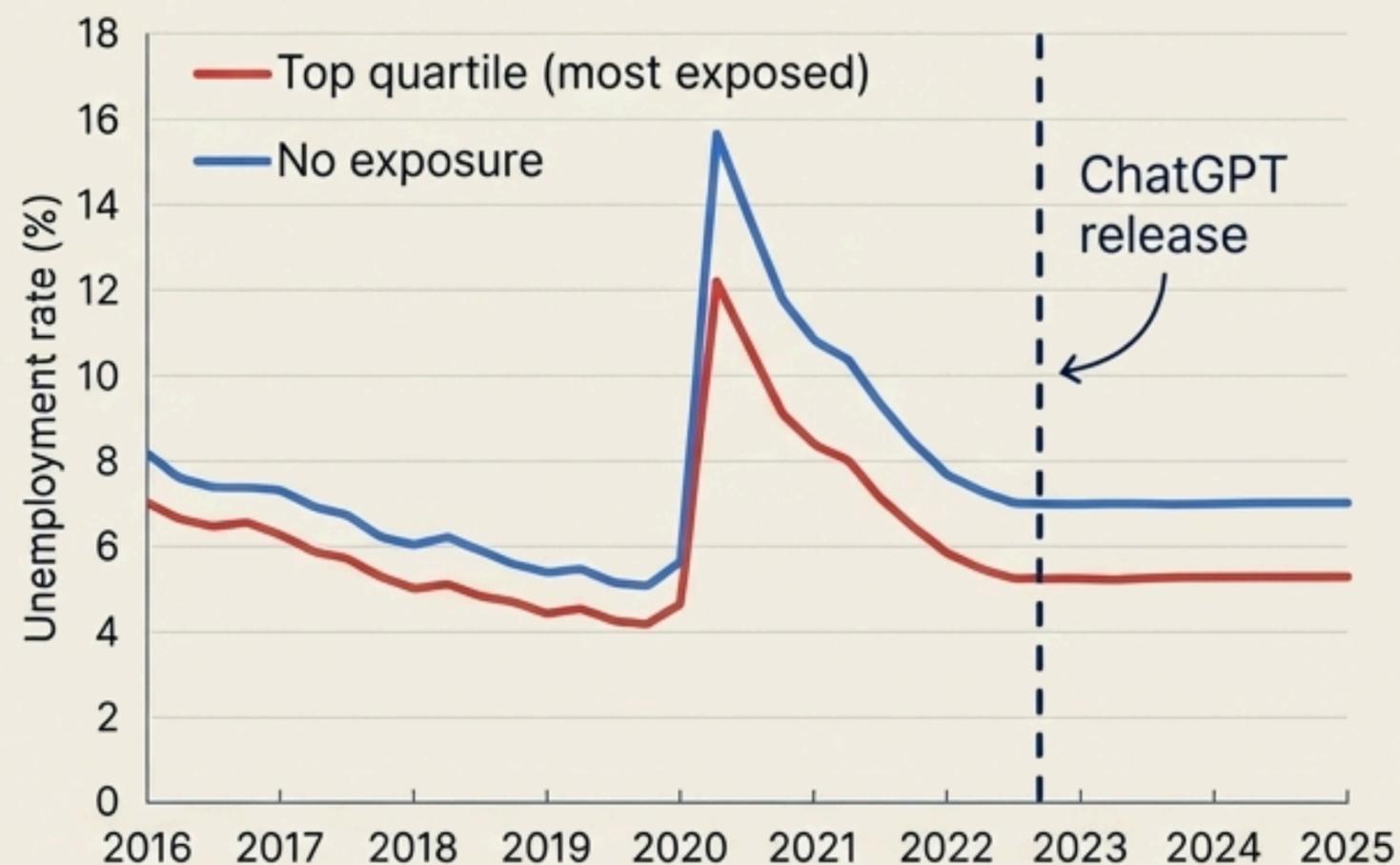


In formal markets, high AI exposure has not triggered mass unemployment

Top two most exposed occupations (Inter)



Unemployment rate trend since 2020 (Inter)



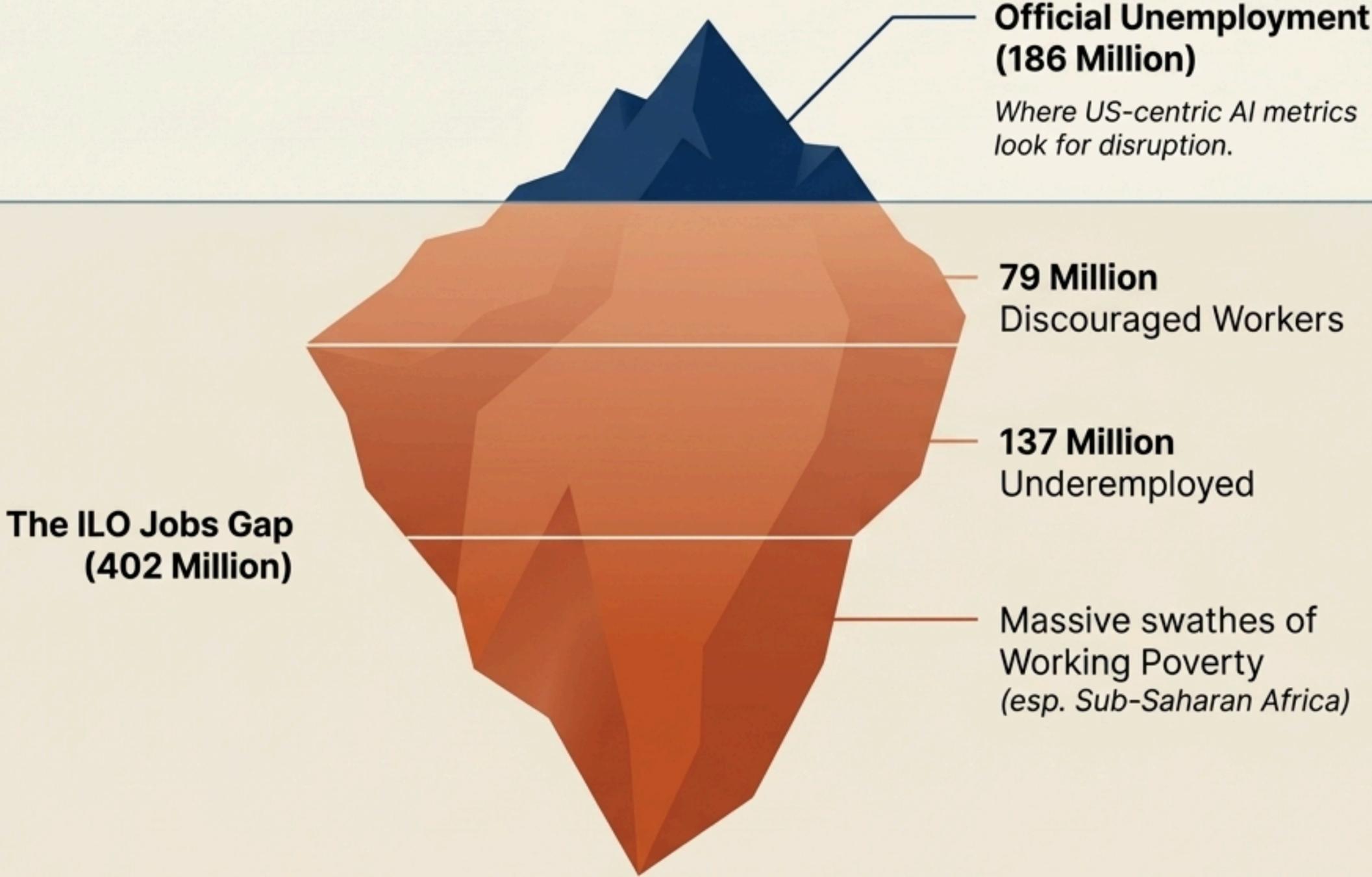
The US verdict: AI is automating tasks, but official unemployment for highly exposed workers remains statistically flat.

A tale of two labor markets

Global North (The Measured Reality)	Global South (The Unmeasured Reality)
Formal employment dominant	60% informal employment
Clean O*NET single-occupation categories (800 roles)	Hybrid livelihoods and multi-job portfolios
Strong digital infrastructure	Uneven infrastructure & deep digital divides
Job loss manifests as official unemployment	Job loss manifests as underemployment and wage drops

Anthropic's framework is elegant, but it is calibrated for a different institutional world.

Flat unemployment hides the massive global jobs gap



Official Unemployment (186 Million)

Where US-centric AI metrics look for disruption.

79 Million
Discouraged Workers

137 Million
Underemployed

Massive swathes of Working Poverty
(esp. Sub-Saharan Africa)

The ILO Jobs Gap (402 Million)

Over 60% of the world's workforce operates in the informal economy. When stable hours vanish, workers don't register as unemployed—they shift to precarious, underpaid casual labor.

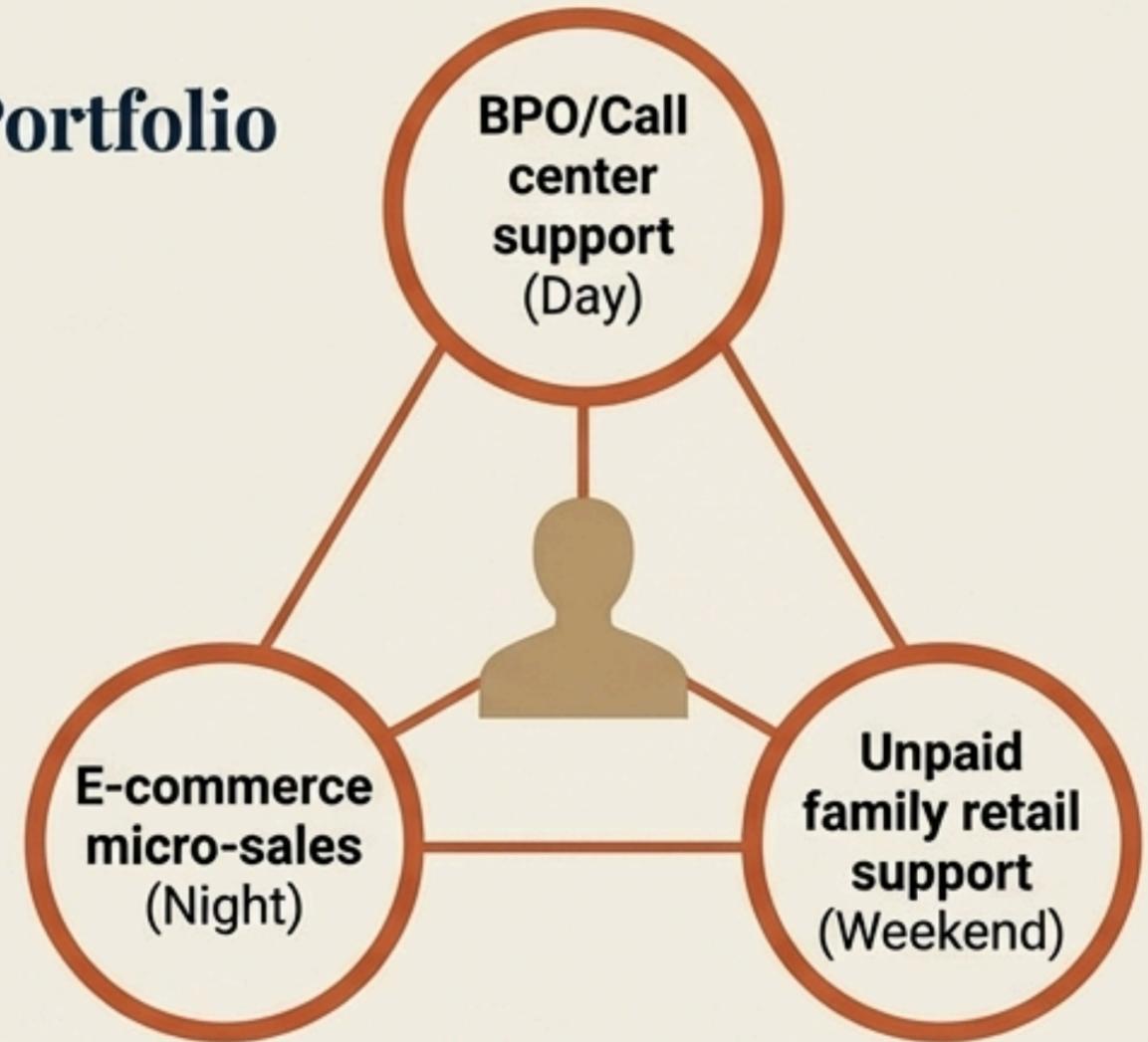
Occupational boundaries blur in developing economies

The Hybrid Worker Portfolio

U.S. Data Entry Keyer

Single O*NET Occupation

VS.



Task-level AI exposure measured through formal occupational categories underestimates vulnerability where multi-hatting is the survival standard.

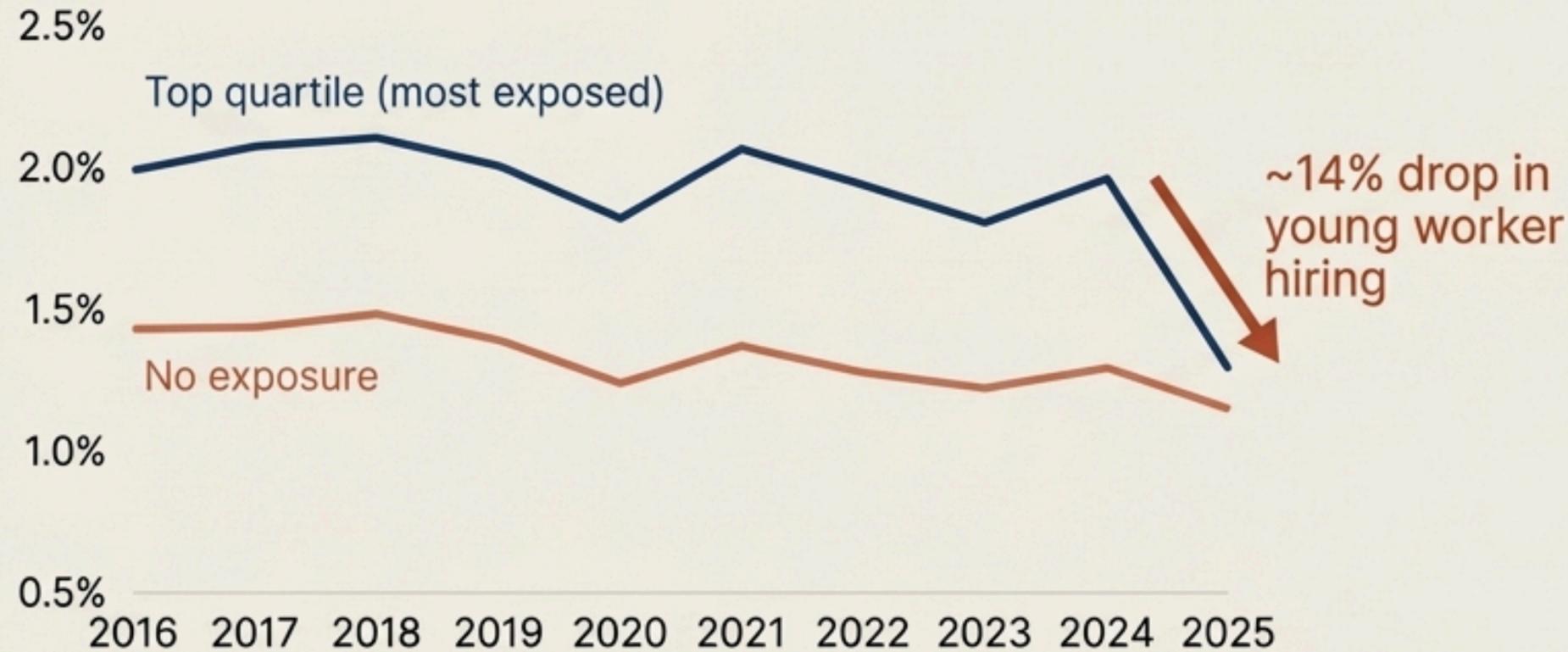
The digital divide creates an asymmetric adoption funnel



In Latin America, while 8-12% of jobs could benefit from Generative AI, nearly half of those lack the basic internet access to realize it.

Ground zero for disruption is the youth entry pathway

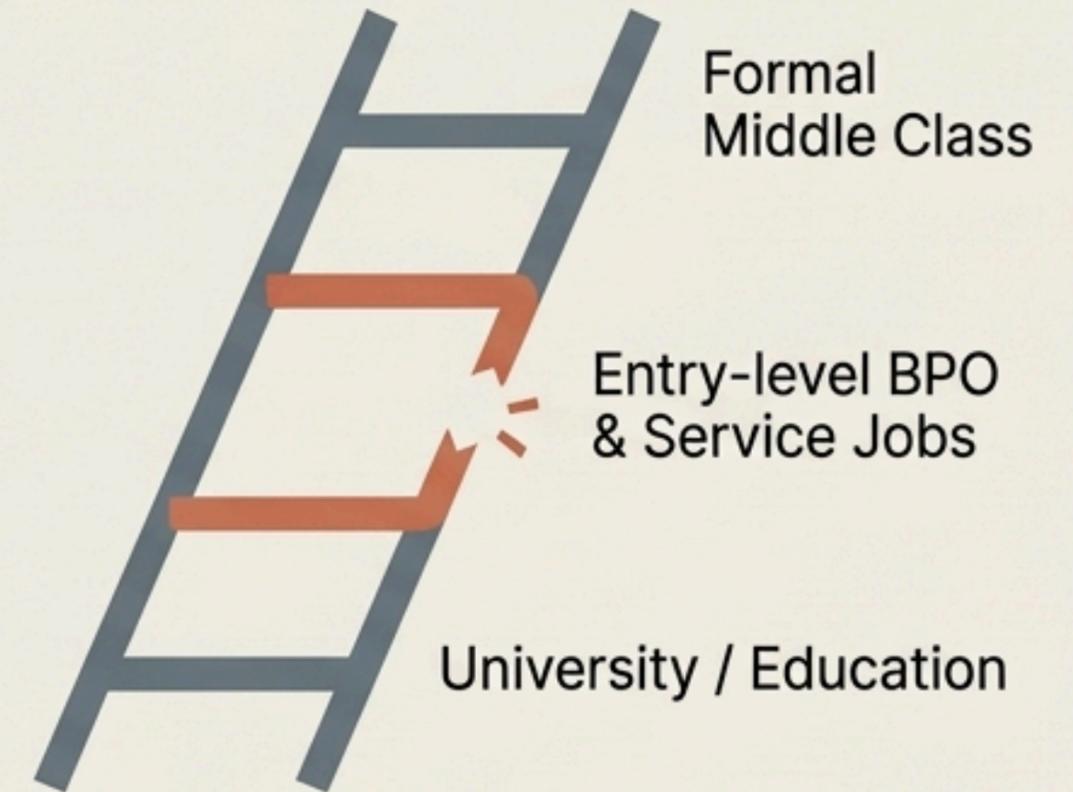
New job starts among workers age 22-25



Anthropic detects a **14%** drop in job-finding rates for US workers aged 22-25 in exposed roles.

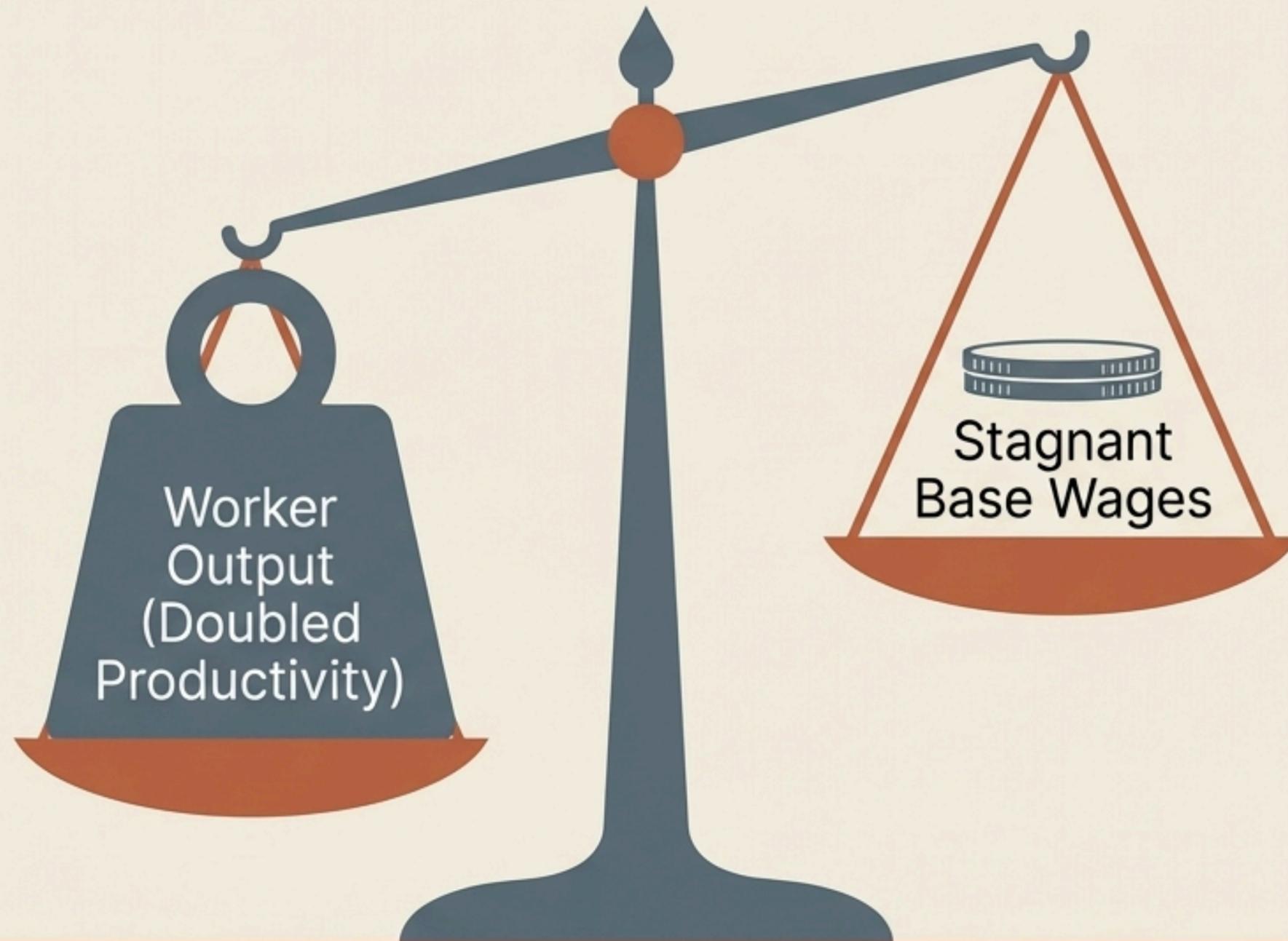
Global youth unemployment sits at **12.6%**.

Broken Ladder



In low-income countries, **28%** of youth are already NEET (Not in Education, Employment, or Training). AI threatens to sever the remaining entry ramps into formal white-collar work.

AI drives wage compression and higher quotas, not just layoffs



Automation in Global North

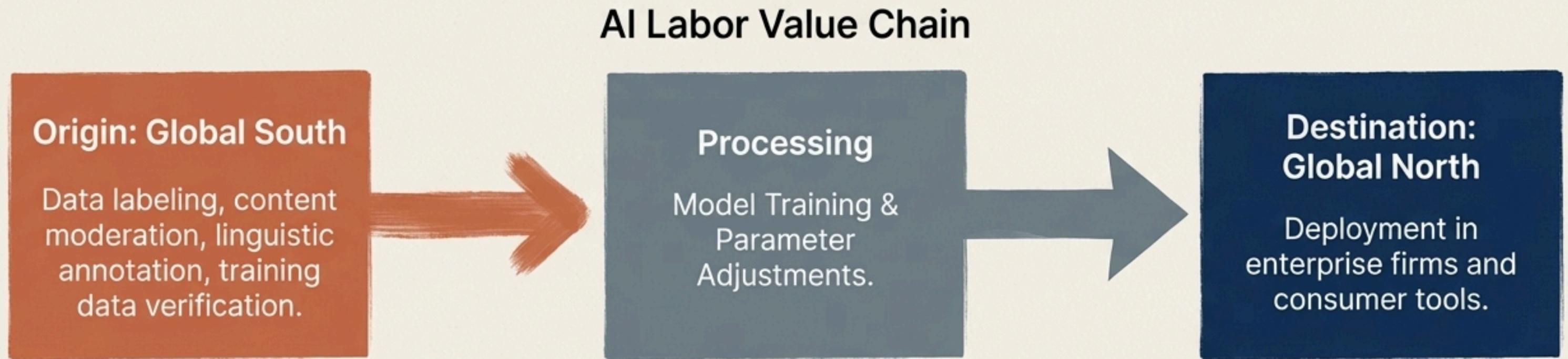
Outsourced BPO labor markets adjust

AI "co-pilots" dramatically raise daily call quotas

Wages stagnate or hours decline

Philippine BPO workers report handling up to double the calls before lunch due to AI tools, with little to no improvement in base wages.

The invisible labor supply chain powering global AI

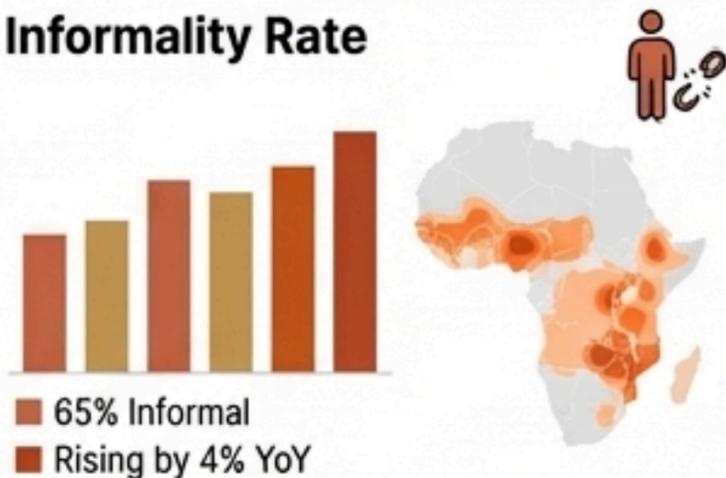


“ The workforce question is not just ‘which domestic jobs are automated?’ It is ‘who provides the hidden human labor that makes AI work, and who absorbs the risk?’ ”

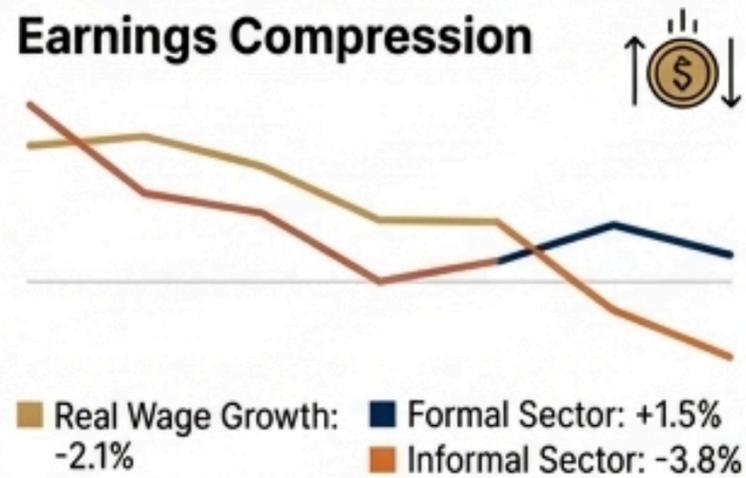
A new tracking framework: The Global South AI Labor Index

GS-ALI v1.0

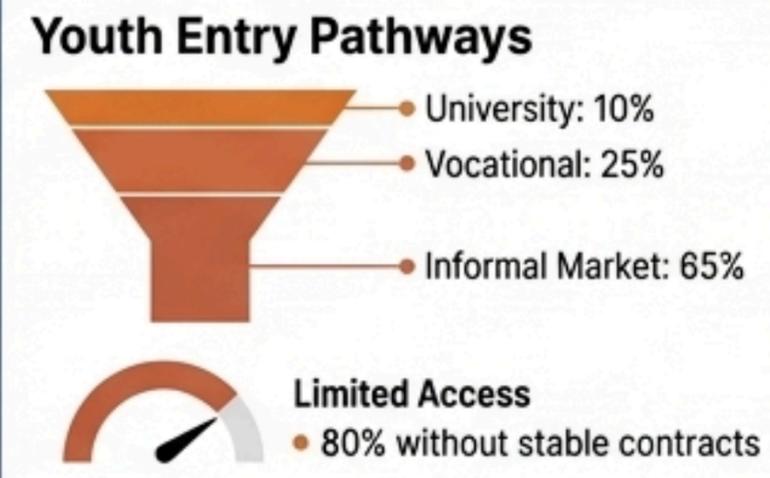
Informality Rate



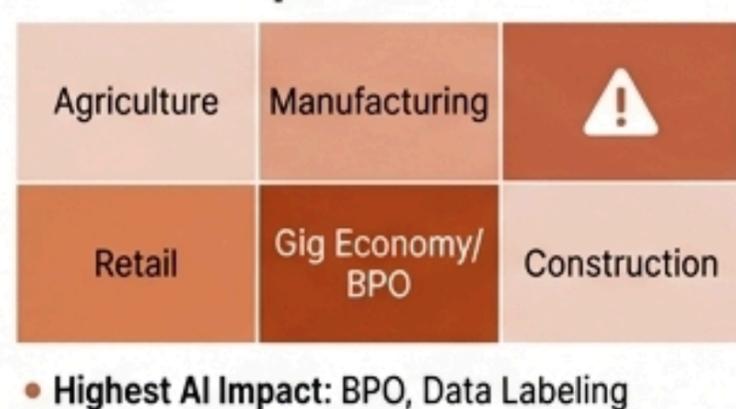
Earnings Compression



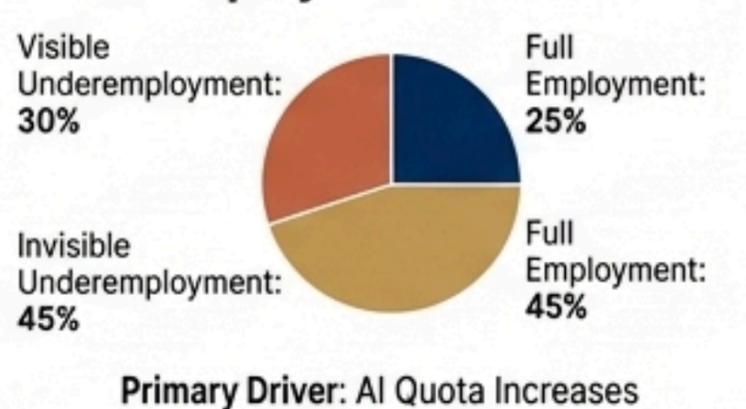
Youth Entry Pathways



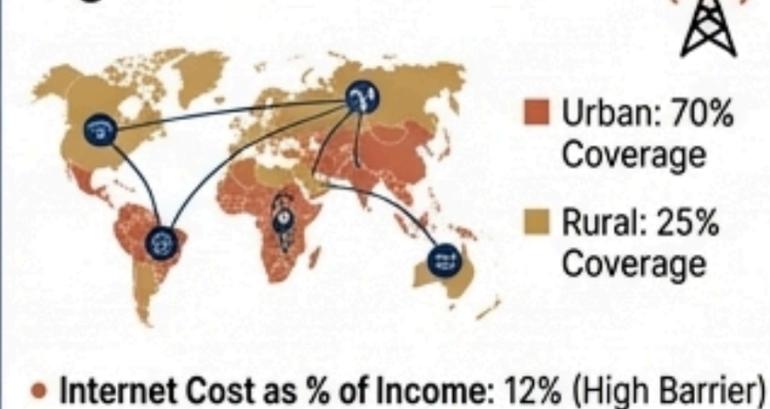
Sectoral Exposure



Underemployment



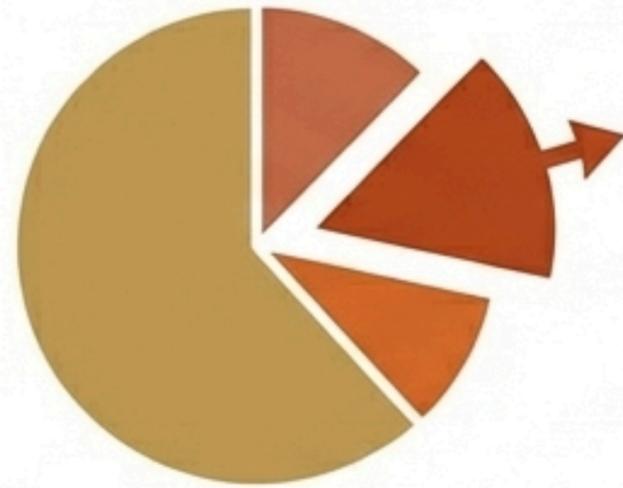
Digital Infrastructure



To detect labor market disruptions before they appear in lagging unemployment statistics, we must track the true vectors of vulnerability.

Tracking hidden disruption and income volatility

Informality Rate



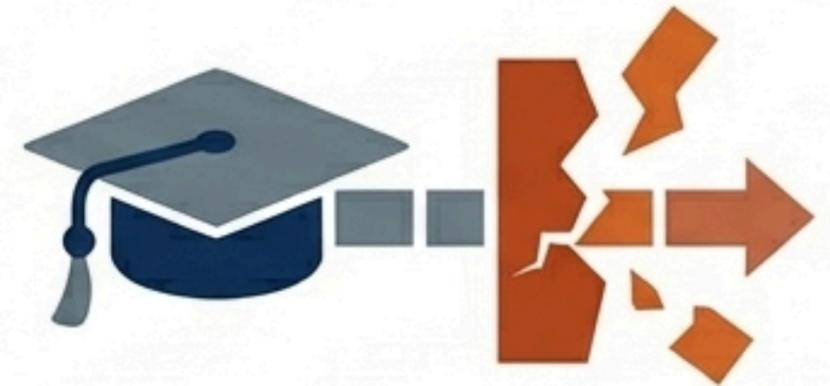
Focus: Tracking workers forced from formal payrolls into precarious, gig, or casual labor.

Earnings Compression



Focus: Measuring declining real wages in sectors exposed to AI-assisted productivity gains.

Youth Entry Pathways (NEET)



Focus: Tracking hiring trends for new graduates and early-career workers, preventing a generation from missing formal sector entry.

Tracking structural shifts and infrastructural limits

Sectoral Exposure



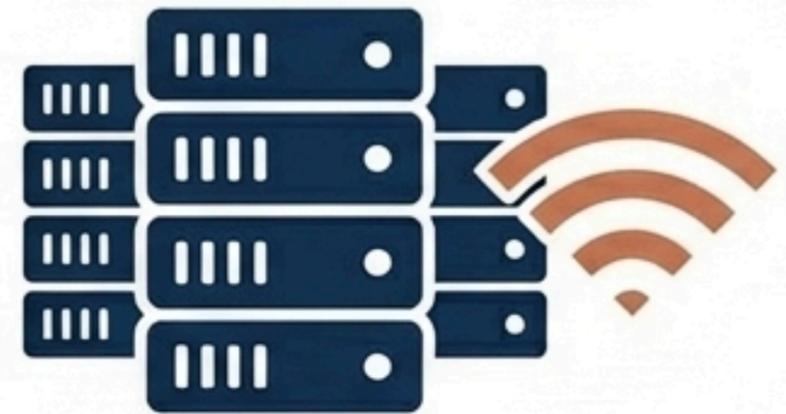
Focus: Analyzing tradable service sectors (IT, translation, customer support) dependent on cross-border contracts.

Underemployment



Focus: Measuring involuntary reductions in hours worked or severe underutilization of skills.

Digital Infrastructure



Focus: Measuring the World Bank's 'Four Cs' (Connectivity, Compute, Context, Competency) to map true AI readiness.

A policy playbook for an equitable AI transition

Mandate Augmentation

Incentivize AI that extends scarce expertise (e.g., in health/education) rather than strictly replacing labor.

Protect Digital Labor

Establish enforceable labor standards and cross-border protections for outsourced AI training and data workers.

Close the Divide

Invest aggressively in local digital infrastructure, compute capacity, and localized open datasets.

Adopt the GS-ALI

Upgrade statistical agencies to measure underemployment, informality, and BPO shifts, moving beyond the unemployment illusion.

**Waiting for formal unemployment to rise means waiting for poverty to spread.
We must measure more broadly to protect more widely.**