NEXT IAS

DAILY EDITORIAL ANALYSIS

TOPIC

UNEQUAL AI ADOPTION & WIDENING INEQUALITIES IN ASIA PACIFIC

www.nextias.com

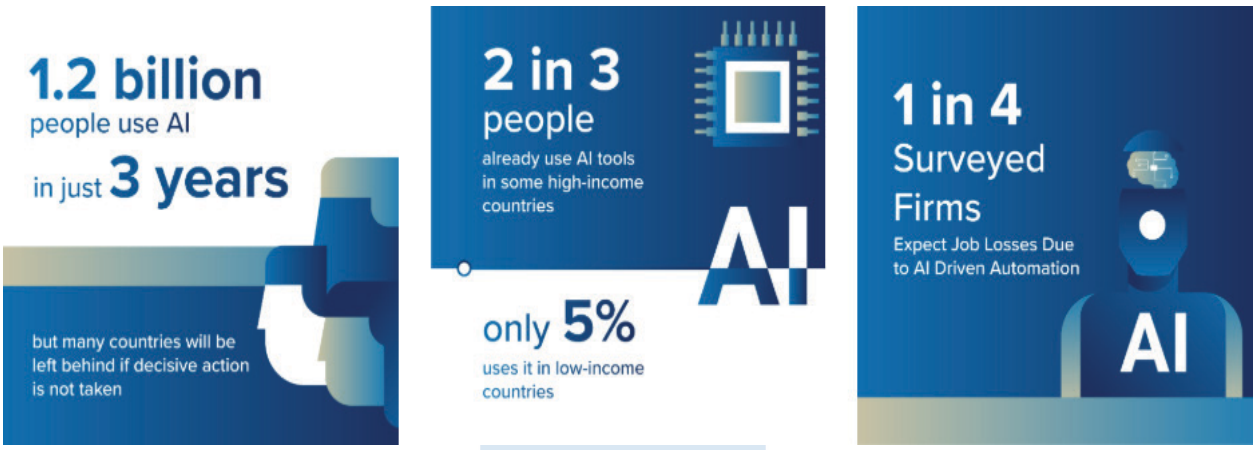
UNEQUAL AI ADOPTION & WIDENING INEQUALITIES IN ASIA PACIFIC

Context

- According to a recent **United Nations report**, the Countries across the **Asia-Pacific region** face **unequal starting points**, highlighting deep divides in digital and economic readiness.

Artificial Intelligence (AI) Adoption

- According to a **new UNDP flagship report,** it has seen one of the **fastest technological adoptions in history**, reaching **1.2 billion users in just three years**.
  - Nearly **70% of these users are in developing countries**, but the global distribution remains highly uneven.
  - T**wo-thirds of people in high-income nations** already use AI tools, but **usage in many low-income economies** remains close to **5%**.



Understanding the Divergence in AI Adoption

- AI can **boost economic growth**, **enhance public services**, **expand opportunities**, and **strengthen resilience**.
  - But, without inclusive adoption, it may also **deepen divides**, **amplify exclusion**, and **weaken governance**.
- Countries that possess the **right mix of connectivity, digital skills, computing capacity, and regulation** will capture **most of the AI dividend.**
  - Meanwhile, others risk facing **job disruption**, **data exclusion**, **misinformation**, and even **resource strain** due to the rising energy and water demands of AI systems falling behind.

AI Adoption Across Asia-Pacific: Promise and Peril

- **AI and People:**
  - **Bhutan** is piloting **AI tutors** to personalize school learning.
  - **Mongolia's AI-driven credit scoring** has provided **$70 million** in micro-loans to nearly **4,000 small businesses**.
  - **Viet Nam's digital farming tools** reach **39 million farmers** with real-time agricultural data.
  - **Northeast India's AI flood-forecasting systems** have **doubled prediction accuracy**, saving lives and property.
  - However, above advances **coexist with persistent inequalities, like:**
    - **1.6 billion people** in the region cannot afford a healthy diet.
    - **27 million youths** remain illiterate.
    - **Women in South Asia** are **40% less likely than men** to own a smartphone.
    - Rural and minority groups remain **largely invisible in the datasets** that train AI models.

- **AI and the Economy:**
  - AI could **lift global GDP growth by around 2 percentage points annually** and **increase productivity by up to 5%**, if scaled effectively, in key sectors such as finance and healthcare.
    - For example, **ASEAN economies could gain nearly $1 trillion in additional GDP** over the next decade.
  - These gains come with **significant labor market disruptions**, like:
    - **75% of firms** expect **job losses** even as new AI-related roles emerge.
    - **Female workers** are **twice as exposed to automation risks** compared to male counterparts.
    - **Informality remains high**, with **88% of jobs in India** and **60% in Indonesia** lacking formal protections, heightening vulnerability to displacement.
- **AI and Governance:**
  - **Bangkok's Traffy Fondue platform** has processed **600,000 citizen reports** efficiently.
  - **Singapore's Moments of Life** app reduced new-parent paperwork from **120 minutes to just 15 minutes**.
  - **Beijing's digital twin systems** simulate urban growth and flood risks in real time.
    - However, **regulatory frameworks lag behind** technological advances. Only a handful of countries have **comprehensive AI laws**, and many systems remain **opaque 'black boxes'.**
    - By **2027**, an estimated **40% of global AI-related data breaches** could stem from the **misuse of generative AI**, underscoring urgent governance challenges.
- **Gaps in AI Preparedness:** The **AI Preparedness Index**, developed by the **International Monetary Fund (IMF)**, reveals disparities in readiness across the Asia-Pacific.
  - **Advanced economies** like **Singapore, South Korea, and China** score **above 70%**, reflecting robust digital infrastructure, strong innovation ecosystems, and proactive regulation.
  - **Fragile and low-income states**, by contrast, score **below 20%**, lacking reliable electricity, data systems, and connectivity needed to fully participate in the AI revolution.
  - These **regional divides** are compounded by **inequalities within countries**, where **income and wealth remain concentrated among the top 10%**, leaving large segments of the population excluded from technological progress.

Way Forward: Building Inclusive AI Futures

- **Building the Foundations for Inclusive AI:** The UN report emphasizes that inclusive AI adoption depends on strengthening both **hard** and **soft** foundations.
  - **Hard foundations** include affordable and reliable internet access, clean and stable electricity, and cooling and computing resources.
  - **Soft** foundations include **human capital development** through education and upskilling; **effective public institutions** to guide digital transformation; and **robust legal and ethical frameworks** to ensure fairness, privacy, and trust.
- **UNDP's Call to Action:** The UNDP urges immediate global and national action to **bridge the AI divide**:
  - Invest in digital infrastructure and connectivity;
  - Strengthen AI-related education and skills;
  - Develop ethical and safety regulations;
  - Promote sustainable and energy-efficient compute;
  - Foster regional and global cooperation on standards and open-source AI models;

Daily Mains Practice Question

[Q] To what extent does unequal AI adoption risk reinforcing existing socio-economic disparities in the Asia Pacific region, and what policy interventions could ensure more equitable outcomes?

■■■■