

BEYOND CLASS

Neighbourhood Watch

Yan Zhuang on how China's aggressive AI adoption is now impacting employment

A few months out from graduating with a master's degree in urban planning, Jin Shangyu is watching artificial intelligence upend the industry she is trying to enter.

"My feeling is that we, new graduates, are exactly the kind of people that AI will replace," she said. When she thinks about planning for her future, she said, "I really don't know how to even begin because I don't see hope."

College graduates around the world are grappling with the prospect that entry-level jobs could simply disappear. But in China, the concern is acute. The country has adopted AI at an almost unmatched pace, spurred by government support and broad public enthusiasm, while youth unemployment remains stubbornly high.

In July, the rate for urban residents aged 16 to 24 was 17.9 per cent. The supply of desirable, well-paying graduate jobs has not kept pace with the ballooning number of young people who entered college.

"AI has arrived at a particularly difficult moment," said Christian Yao, a senior lecturer at Victoria University of Wellington in New Zealand who has studied how young Chinese people are navigating the job market.

For China's leaders, who have long derived much of their political authority from the promise of prosperity, there is a risk that high youth unemployment could be a source of political unrest.

Any negative effect that AI may have on youth unemployment, however minor,



WHAT NEXT: Students at Peking University. In China, the supply of well-paying entry-level jobs has not kept pace with the number of graduates

is acutely sensitive for the party, said Scott Singer, a fellow and co-director of the China AI Initiative at the Carnegie Endowment for International Peace. More broadly, he said, "China is extremely concerned about the labour market impacts from AI. It's perhaps their greatest concern right now."

Wary of the potential human and political fallout from the AI revolution, Beijing is leaning on companies to avoid layoffs. It has signalled through several court rulings that it is unwilling to accept AI cost savings as a justification for job losses.

In January, the govern-

ment announced "targeted employment support for key industries", and some party officials have proposed more interventions, such as encouraging employers to offer vocational training to help workers adapt to an AI-centric job market.

So far, the impact of AI and automation has been felt most strongly in manufacturing and food delivery, two of China's largest employment categories. The effect on white-collar jobs is only starting to be felt, experts said.

Although AI is creating some job opportunities, they are largely open to a small pool of applicants who are skilled in the technology, Yao said. At the same time,

he said, junior white-collar work, such as administrative tasks, research, basic analysis and coding, are more susceptible to automation.

"China is especially exposed because its entry-level professional market was already highly competitive," he added. A qualifications arms race is emerging, he said, adding that "we now see master's degrees, and sometimes doctorates, requested for relatively junior roles".

For some, even a high-level degree can no longer feel enough. Luna Wang, who graduated this year with a master's in management, has applied for nearly 200 jobs in Hong Kong and mainland China in fields like project

management, product management and procurement planning, with little success.

Still, Wang, 25, felt relatively sanguine about the impact of AI on her career prospects. She did not think the technology would significantly affect her because the jobs she is applying for cannot easily be automated, as they require negotiations and face-to-face interactions.

"You need to have skills that robots and AI can't do to survive," she said.

For Jin, opportunities that were available to her predecessors appeared to be vanishing. In the faltering economy, there were fewer projects for designers to work on and a lack of openings at design institutes, where many new graduates go after university, she said. And companies seemed to be automating the tasks traditionally done by interns that would help them gain skills and experience.

She saw new roles in areas like AI operations opening up, but found it difficult to gauge whether these would lead to a long-term career. Some companies seemed to be rushing to adopt AI without having a clear idea of what they wanted to achieve, she said, describing the landscape as "very chaotic".

While she keeps applying for jobs, she is trying to make use of AI to help her create a portfolio that she hopes will help her stand out. She hopes the labour market's AI convulsions will settle down in the next few years.

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