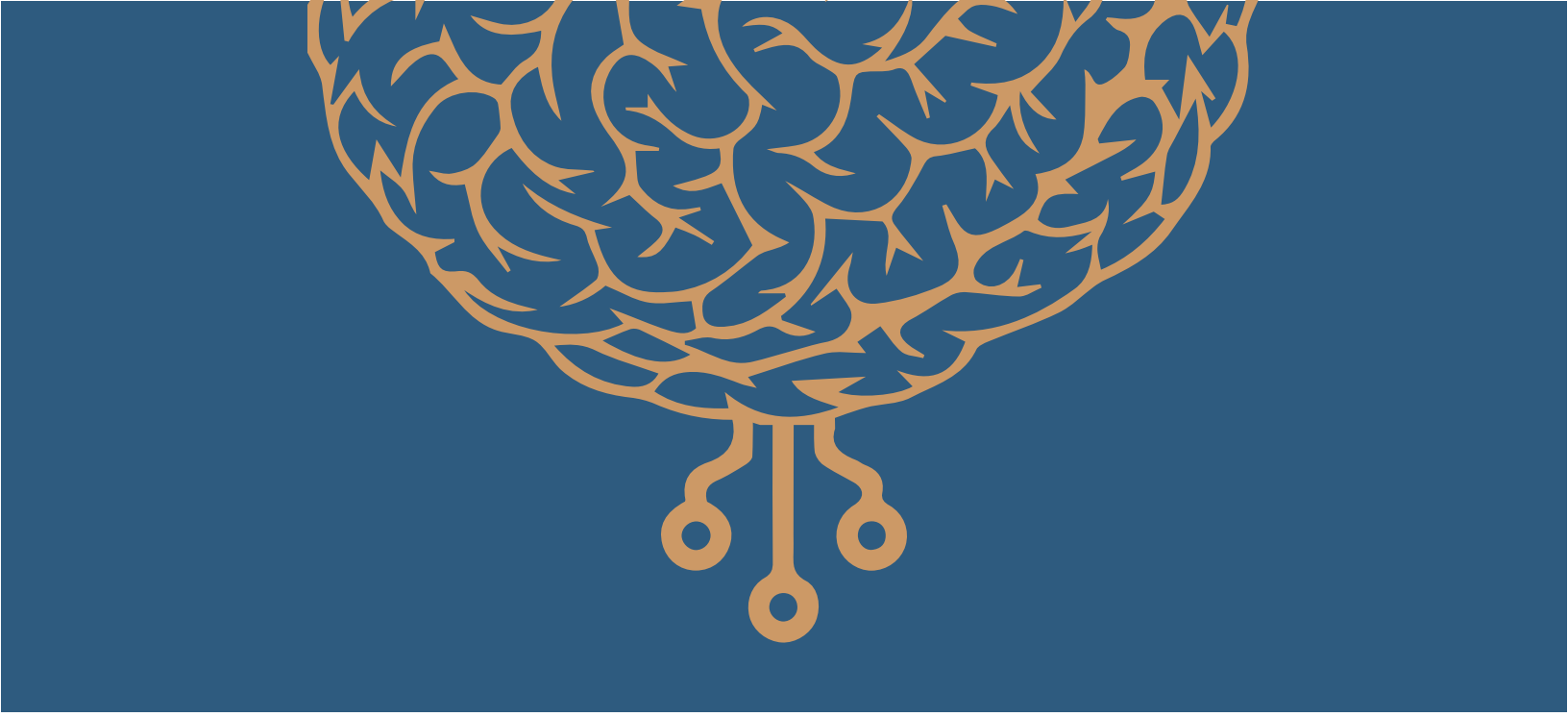

THE IMPACT OF AI ON WOMEN'S JOB LOSS IN AFRICA BANKING INDUSTRY- FOCUS ON KENYA

POLICY BRIEF

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Executive summary

The use of AI in the banking industry has become inevitable and comes with both benefits and negative impacts. One common demerit is the threat of loss of jobs which is considered an impact on labour rights. This issue is particularly critical because it is considered to affect women's jobs more than men. Already, the number of women in the labour force as compared to men is low. The use of AI may further worsen the situation and increase the statistics of women unemployment since AI use in the banking industry is more commonly used for routine tasks often attributed to female staff. In addition, less women are employed in departments of cyber, fraud detection, and managerial positions where AI and deep technology skill are required. Invariably, women feel more threatened by the use of AI. Research reveals that job losses or job displacement will occur with more rampant use of AI in the banking industry, especially for easily automated jobs. At the same time, jobs will also be created in the technology-skilled areas. Hence, reskilling and upskilling will be necessary for jobs and employment. In light of this, the reform of existing laws and formulation of AI regulatory policies as well as policies on skill and trainings especially for women and more in the tech skill areas to reduce or mitigate the job loss impact of the use of AI are essential.

Introduction

The growing use of AI creates the risk of job displacement as well as opportunities for employment in the labour market. An adjustment of labour policies goes a long way to determine this.[1] According to Kearney, whether job losses or opportunities result is dependent on education and skill levels supported by policies and a commitment to broad based economic prosperity.[2] In the U.S., automation will affect workers differently based on their gender and women could have even more at stake.[3] Automation and robots may replace workers but the adoption of policies may be a key factor to lower the risk of job loss with the application of AI.[4] It is no gainsaying that policies are important in the effect of AI on growth and employment.[5] Because of the status of women in the economic sector and the need for their inclusion, policies that reduce the threat of economic destruction of technological change must be looked at through a gender lens.[6] This is even more so in Africa. Therefore, there is a need for gender-sensitive policies to help workers navigate labour market disruptions by automation.[7]

With the growing use of AI globally comes the concern of its negative impact. One of the major fears is its impact on human rights. Pertinent to this is the issue of job loss as it is contemplated that AI through automation will lead to job loss as machines will replace human labour. The banking industry in Africa is one sector where the use of AI is expanding, and these fear ought to be put into consideration. Since fewer women are generally found in the economic sector globally, this concern becomes germane hence the study to verify how women will be affected.

Approach /Methodology

The study was conducted through a review of literature on the experience and impact of AI on jobs in developed countries. This was combined with an empirical research through delivery of questionnaires to respondents in banks and fintech companies in Kenya through trained data enumerators. The study reached 37 banking organisations in Kenya with a total of 309 respondents and 48 Fintech companies with 79 respondents. Majority of the respondents came from 9 popular banks with KCB Bank Kenya Ltd having most respondents (63) at 20.45 while Equity Bank Kenya Ltd, Absa Bank Kenya and Co- perative Bank of Kenya followed with a contribution of 18.4% (57), 10.4% (32) and 7.1% (22) respectively of the total respondents. These four banks made up more than half (56.3%) of the total respondents of the study. From the survey carried out, descriptive findings attempted to find out the impact of AI on women's jobs in the banking sector in Kenya.

Results

- The banking sector in the country is introducing use of technology in most of its functions and is reliant on AI for productivity and efficiency.
- There was greater extent of AI deployment in jobs or roles conventionally associated with women.
- There were 4 roles conventionally associated with women that would see a great deal in employability of women with the use of AI in those roles (HR, marketing, sales, and trading). On the other hand, there was a perceived fall of employability of women in roles that are technical like IT, fraud and security detection.
- Women feel more threatened using AI in their roles in comparison with men and so there is a perceived uncertainty of women's jobs in the banking sector with the introduction of AI and new technologies. Job creation was, therefore, just as likely as job loss in the banking sector introducing AI.
- There were new roles and jobs that were created with the introduction of AI. However, this use of technology also brought with it job destruction within the banking sector with women being perceived as the most affected gender on the concern of job loss.
- Most employees were aware of labour laws and other laws protecting workers and relating to upskilling and better education.
- The AU has initiated policy recommendations to maximise the benefits of AI and reduce potential risks.[8] While Kenya has adopted an AI strategy, it is not certain that there are specific legislations or policies regulating AI in Africa, with specific note of South Africa.[9] It is specific AI regulatory law and or policies that are just emerging though there are laws regulating specific data in its collection, use and storage.[10] It can be said that policies for AI regulation in Africa are being proposed with recommendations from researchers and expert academics in the field.[11] Mauritius, for example, is ahead in its AI strategy with the establishment of a National AI Council.[12]

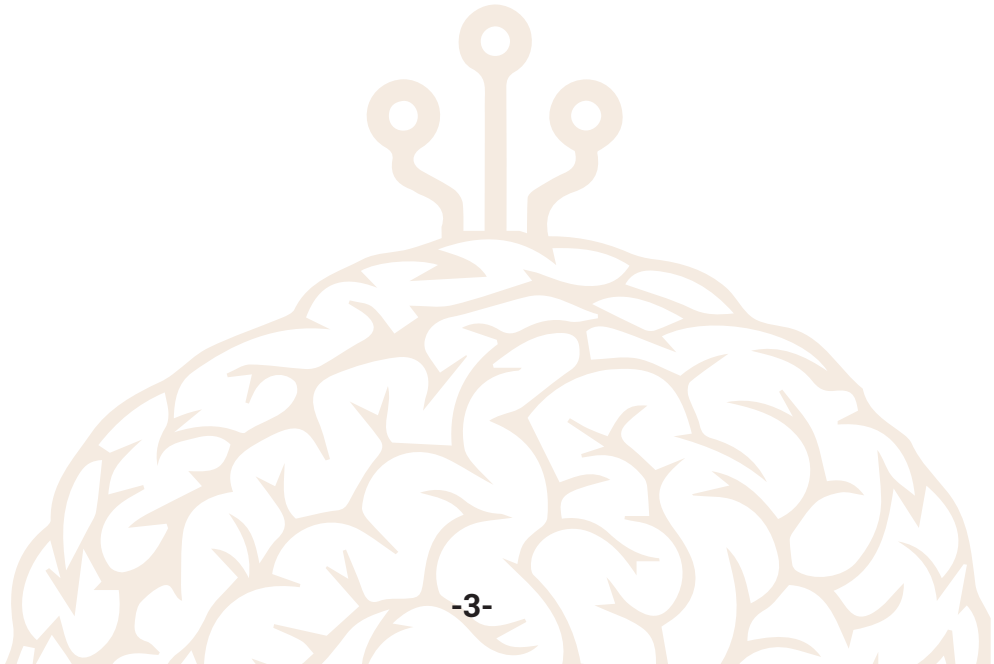
Recommendations

- Policies regulating the use and development of AI are required, especially in a gender-friendly ethical approach. Research is recommended for this.[13]
- Policies should also contain Inclusive involvement in AI development, which would require budget or investment in training programs, upskilling and platforms to enable women to develop necessary tech skills and boost their labour mobility.
- Active labour laws should be enacted where there are none and existing ones reformed to be AI compliant.
- The society should be enlightened and made aware of the use and impact of technology and the available legal provisions for job or employment protection.

> "The use of AI in the banking industry has become inevitable and comes with both benefits and negative impacts."

Conclusion

The use of AI in the present and coming generation is inevitable. Results show that AI has benefits for individuals in their roles, banks and the African community but is changing the nature of jobs in the banking industry. The research finds that more women than men felt threatened in their roles with the use of AI. The research also found that workers were aware of labour laws regarding protection of workers but there is a need for law and an upgrade of these laws and policies. Allying literature review with the empirical research, it was found that there is a possibility of the gender gap in employment widening in the banking industry because of the existing gender roles. This implies that more women than men are at risk of unemployment, job loss or replacement. Development of policies that will emphasize the training of women in relevant technology and that will protect them against job losses are recommended. There should be collaborative work between government, NGOs, civil societies, the communities on joint effort to protect the future of jobs in the face of AI.



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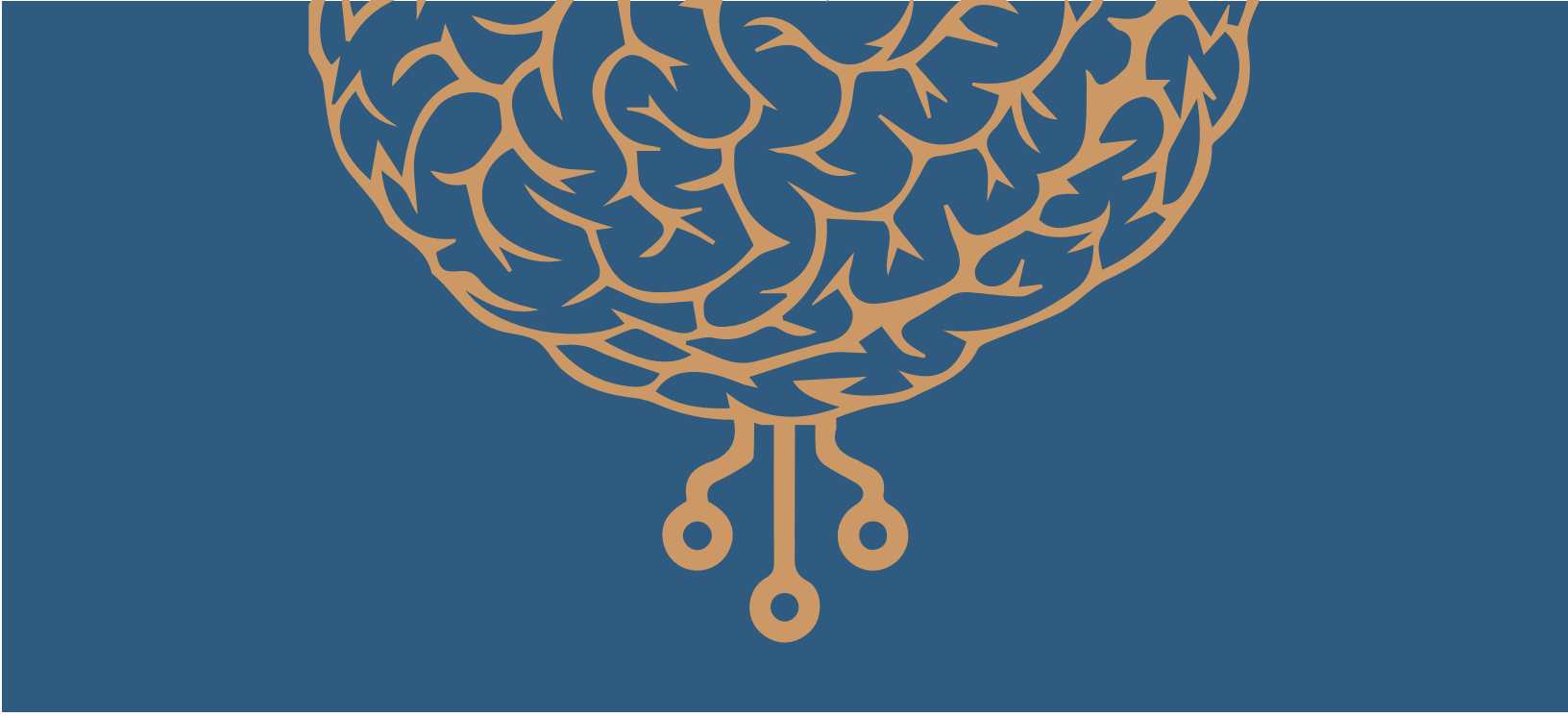

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