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Comprehensive Analysis of AI's Contribution to Global Economic Development

Abdur Rohman [1], Asfahani [2], Khurshed Iqbal [3], Loso Judijanto [4], Rony Sandra Yofa Zebua [5]

[1] Universitas Trunojoyo Madura, Indonesia; abdur.rohman@trunojoyo.ac.id

[2] Institut Agama Islam Sunan Giri Ponorogo, Indonesia; asfahani@insuriponorogo.ac.id

[3)] Universitas College of Zhob BUITEMS, Pakistan; khursed.iqbal@buitms.edu.pk

[4)] IPOSS Jakarta, Indonesia; losojudijantobumn@gmail.com

[5)] Universitas Islam Bandung, Indonesia; rozes.mobidev@gmail.com

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Abstract

This article presents a comprehensive analysis of the contribution of artificial intelligence (AI) to global economic development. This research aims to fill the knowledge gap by presenting a comprehensive analysis of the contribution of AI to global economic development. The method used in this research involves a comprehensive approach that includes literature analysis, case studies, and evaluation of the latest global economic data. Through a holistic approach, this research explores the impact of AI from various perspectives, including economic growth, labor markets, ethical aspects, and social implications. The research results show that the widespread implementation of AI technology has positively impacted productivity and efficiency in various sectors, driving significant GDP growth. However, inequality in access and benefits of AI technology has also been found, requiring special attention in global policy formulation. Through pairing with previous research and integrating economic and innovation theory, this article provides deep insight into the complexity of the interactions between AI and global economic development. In doing so, this article not only enriches our understanding of the role of AI in a global context but also details how relevant theories can be updated to reflect the evolving dynamics of AI's dominance in the global economic landscape.

Keywords artificial intelligence; comprehensive; global economic development

Corresponding Author;
Abdur Rohman
Universitas Trunojoyo Madura, Indonesia; abdur.rohman@trunojoyo.ac.id

INTRODUCTION

The growth of artificial intelligence (AI) technology has been one of the most significant technological developments in the modern era. The existence of AI has not only affected various aspects of daily life but has also become a major force in changing

the global economic landscape. As AI evolves, major changes have occurred in how we work, interact, and manage resources (Fjelland, 2020; Lentz & Vrak, 2020). In this context, conducting a comprehensive analysis of AI's contribution to global economic development is important.

Since the beginning of the 21st century, AI technology has achieved impressive achievements in various fields, including natural language processing, image recognition, and complex problem-solving. This success has opened the door to AI implementation in critical sectors, such as manufacturing, finance, healthcare, and public services (Rampersad, 2020); (Alaloul et al., 2020). In the face of global challenges, such as the fourth industrial revolution and climate change, AI is emerging as an effective tool to improve efficiency, innovation, and sustainability. In addition, the development of AI has significantly impacted the global labor market (Abdallah et al., 2020; Mhlanga, 2022). Although some traditional jobs can be replaced by automation, AI creates new opportunities by creating jobs in the development, maintenance, and management of AI technology (Greenstein, 2022; Wirtz et al., 2020). The balance between positive and negative impacts on the workforce is an aspect that needs to be thoroughly analyzed to understand how AI plays a role in the development of the global economy.

The high level of innovation in the AI sector is also a big boost in economic competition between countries. Countries that invest significantly in AI research and development have a great opportunity to become global economic leaders (Almeida et al., 2022; Greenstein, 2022). Therefore, a deep understanding of AI's contribution to economic growth is key to formulating effective and sustainable policy strategies at national and international levels (Al Ka'bi, 2023; Hwang & Chien, 2022). Through this comprehensive analysis, this article aims to discuss the role of AI in driving global economic development. By understanding the impact of AI from multiple perspectives, we can identify opportunities and challenges associated with implementing this technology. As such, this article is expected to provide valuable insights for readers interested in deeply understanding how AI plays a crucial role in shaping the future of the global economy.

Previous research in artificial intelligence (AI) contributions to global economic development has provided a valuable initial understanding of the impact of these technologies. However, some gaps need to be noted in the existing literature. First, much research tends to be sectoral and focused on AI applications in specific industries, such as manufacturing or finance, without providing a holistic view of AI's overall contribution to the global economy (Wiranto & Suwartini, 2022). In addition, most

studies emphasize short-term economic impacts and ignore long-term aspects of sustainable development (De la Vega Hernández et al., 2023). Thus, the gap indicates the need for more in-depth research to understand the long-term and far-reaching impact of AI on the structure of the global economy. Furthermore, there is a lack of research considering the ethical and social implications that may arise along with the increased use of AI in an economic context. While artificial intelligence can improve efficiency and productivity, its impact on social inequality, privacy, and data security needs to be further explored to ensure that the economic growth generated by AI also positively impacts society's overall wellbeing.

Therefore, this article aims to fill such knowledge gaps by presenting a comprehensive analysis of AI's contribution to global economic development, providing deep insights from multiple perspectives involving economic, social, and ethical aspects. As such, this article is expected to significantly contribute to our understanding of how artificial intelligence shapes and affects the global economy.

METHODS

The methods used in this study involve a comprehensive approach that includes literature analysis, case studies, and evaluation of recent global economic data. The initial phase involves an in-depth investigation of the AI-related literature and the global economy, focusing on previous studies exploring the impact of AI in various sectors. Furthermore, case studies from countries that have implemented AI are widely used to gain a firsthand understanding of the influence of this technology on economic development. Macroeconomic data such as GDP growth, unemployment rate, and research and development investment are also thoroughly evaluated. The method is geared towards providing a holistic and in-depth view of AI's contribution to global economic development, opening up space for comprehensive understanding and critical thinking of the impact and implications of artificial intelligence in a global context.

RESULTS AND DISCUSSION

The research reveals a series of significant findings regarding the contribution of artificial intelligence (AI) to global economic development. First, in the context of economic growth, the widespread implementation of AI has proven to have a significant positive impact on productivity and efficiency in various sectors. Case studies from countries such as China, the United States, and Germany show a convincing increase in GDP growth driven by adopting AI technology in production processes and innovation.

Second, from a labor market perspective, despite concerns about replacing human jobs with automation, the study found that AI also creates new jobs in developing and maintaining AI technology. In addition, there is a shift in skills demands, with increased demand for expertise in technology, data analysis, and understanding of business context.

However, the results also highlight several challenges that need to be addressed. There are inequalities in access and utilization of AI technology between countries and on a domestic scale. Countries with high investment levels in AI research and development tend to experience higher economic growth, leaving developing countries lagging behind (Dwivedi et al., 2021; Lee & Chang, 2018). In addition, the ethical and social implications of AI, including data privacy and security, are also focal points to ensure that economic development is not achieved at the expense of human values.

From a sustainability perspective, the study's findings suggest that AI implementation can contribute to innovative solutions to global challenges such as climate change and the fourth industrial revolution (Huynh et al., 2020; Oke & Fernandes, 2020). In this regard, artificial intelligence can catalyze sustainable solutions and promote inclusive economic growth (Asfahani et al., 2023; Stephenson, 2023). Overall, these findings imply the need for a holistic approach in designing policies to optimize the benefits of artificial intelligence in the context of global economic development, taking into account economic, social, and ethical aspects in a balanced manner (Allam & Dhunny, 2019; Chauhan et al., 2022).

In the context of the results of previous studies, the study makes a significant contribution by detailing the impact of artificial intelligence (AI) on global economic development. Some previous studies focused more on sectoral aspects rather than presenting a comprehensive overall picture. The results of this study juxtapose and complement previous findings by exploring the implications of AI from multiple perspectives, including economic growth, labor markets, ethical aspects, and social impact. This understanding helps fill knowledge gaps and provides deeper insights into the complexities of the interaction between AI and global economic development (Ibn-Mohammed et al., 2021).

The study details the findings based on relevant theories by referring to existing conceptual frameworks. For example, innovation theory is used to understand how implementing AI technology can accelerate the innovation process in various sectors of the economy (Nishant et al., 2020); (Di Vaio et al., 2020). Meanwhile, economic growth theory provides a foundation for understanding the relationship between AI

adoption and increased GDP growth (Goralski & Tan, 2020). The integration of these theories in the analysis of research results provides a solid theoretical foundation for understanding the mechanisms behind the impact of AI on global economic development.

However, the analysis notes that such theories must be updated and adapted to contemporary developments. For example, traditional economic theory may need to be combined with new emerging elements as AI's role becomes increasingly dominant in the global economy. Therefore, the study not only juxtaposes the results of previous research and relevant theories but also details how those theories can be developed or adapted to summarize the changes and dynamics occurring in the context of AI. As such, the analysis is an important contribution to the theoretical and practical understanding of AI's role in global economic development while considering significant impacts that previous studies may have overlooked.

CONCLUSION

The conclusions of this research and discussion show that artificial intelligence (AI) has a significant role in shaping global economic development. The implementation of AI technology has had a positive impact on economic growth, increased productivity, and created new jobs. Case studies from countries confirm that AI adoption in various sectors can be a convincing driver of GDP growth. However, the findings also underscore inequalities in access to and benefits of AI technology, deepening economic divisions between countries. Changes in labor market skills demands are an important concern, and this gap requires effective human capital training and development strategies. In addition, ethical issues and the social impact of AI, such as data privacy and algorithm fairness, require special attention in regulatory development. In the context of sustainability, the findings highlight the potential of AI as an innovative solution to global challenges; however, the environmental impact of developing this technology is worth noting. This conclusion emphasizes the need for a holistic approach in policy formulation to ensure that AI development brings benefits that are equitable, inclusive, and in line with ethical and sustainability values, thus forming a strong foundation for future global economic development.

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