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ASEAN AI Governance Roundtable #4: Manila, The Philippines

AI Governance in Workforce Development for Inclusive Industry Transformation

How is AI transforming work across individuals, organisations, and industries in the Philippines? How can the workforce and educational institutions adapt to ensure inclusive development in response to these changes?

*This is the **fourth** in a series of regional [roundtables](#) convened by AI Singapore for representatives from industry, government, and academia to discuss responsible AI within ASEAN. Such discussions are typically too narrow and too broad. Too narrow in that a few voices dominate the discussion—notably those in the United States and Europe, with China sometimes included. Too broad in that discussion is often limited to generalities and principles. This project aims to address both aspects of this problem, involving a wider set of stakeholders—in particular those from Southeast Asia—in more focused discussions of specific challenges in the application of Responsible AI to particular questions.*

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Executive Summary

The Manila Regional Roundtable on AI Governance, held on 24 July 2025, was convened by [AI Singapore](#) and the [Analytics and Artificial Intelligence Association of the Philippines](#) (AAP) as part of a broader ASEAN series on AI governance. As the Philippines advances its national focus on transforming education and the workforce through the establishment of the [National Education and Workforce Development group](#), it is timely to engage stakeholders from government, industry, and academia to explore these emerging challenges collaboratively.

The event brought together a small, focused group of industry leaders, regulators, and academics under the Chatham House Rule to explore the theme: **AI Governance in Workforce Development for Inclusive Industry Transformation**. Structured around two sessions, it examined the governance challenges of AI adoption in the future of jobs and education, with discussions framed around the following topics:

- **Session 1: AI and the Future of Jobs – Governance Challenges in Employment and Workforce Transformation**

Examined how AI adoption is reshaping roles, organisations, and industries. Topics included:

- Managing AI-induced job displacement and workforce transitions
- Regulating AI in hiring and workplace decision-making
- Algorithmic management and worker rights
- Industry adoption and compliance challenges

- **Session 2: AI and Education – Governing the AI Talent Pipeline**

Focused on how education and training systems can adapt to AI-driven change. Topics included:

- AI in education – risks, reliability, and accountability
- Challenges of AI education – training the next generation of AI professionals
- Impact of AI on skills and workforce adaptation
- Skill mismatch between education and industry demand

The discussion underscored the importance of inclusive, context-sensitive AI governance that reflects the Philippines' economic structure, particularly the role of micro, small, and medium enterprises (MSMEs), as well as the equally critical need to strengthen the education and training pipeline for an AI-enabled workforce. At the same time, it underscored the importance of connecting national priorities to regional and global conversations on the responsible adoption of AI.

AI at Work and School: The Philippines' AI Adoption Experience

AI adoption in the Philippines has progressed rapidly from novelty to everyday utility. Tools like ChatGPT, Gemini, Claude, and Copilot are now embedded in workflows across various industries and educational institutions, with strong enthusiasm from students, faculty, workers and businesses alike. Industry associations and training providers are promoting AI awareness, and demand for AI-focused programmes has overtaken earlier priorities such as cybersecurity. Yet adoption remains uneven: many firms rely only on free-tier tools, and rural schools lacking basic and necessary amenities (e.g., internet or reliable electricity) risk being excluded altogether.

Roundtable discussions highlighted the breadth of AI deployments across various sectors, including code generation in software development, interview pre-screening in training centres, analytics acceleration in telecommunications, ideation support in creative industries, bill monitoring in the legal sector, and frontline enablement in banking. These diverse applications reveal that AI adoption is not uniform: creative industries experiment more freely. At the same time, regulated sectors move cautiously, and service-intensive industries face immediate pressure as repetitive tasks are automated.

In education, the adoption of AI is visible but uneven. Universities are experimenting with tools like ChatGPT and Copilot for teaching and research, and demand for AI training is rapidly overtaking other fields, such as cybersecurity. Some institutions are formalising AI through new degree programs and other forms of curriculum redesigns, while staff capacity remains mixed. Yet persistent gaps, from resistant faculty to rural schools lacking internet, risk deepening inequalities in access and outcomes.

From these experiences, three key themes emerged:

- First, AI empowers organisations to interact with unstructured data through natural language, allowing organisations to generate general, open-ended outputs for various applications.

- Second, AI democratises expertise across roles, equipping non-specialists and senior staff with capabilities once held by junior specialists.
- Third, AI expands the concept of ‘productivity’ as gains extend beyond time saved, but also encompass who can now perform the work, flattening hierarchies while also hollowing out entry-level roles and squeezing specialists.

These shifts demonstrate that AI adoption is not only about efficiency; it is also reshaping how expertise is distributed, how careers progress, and how education and training must adapt.

Beyond Adoption: The Multi-Dimensional Impacts of AI on Work and Society

When discussing the AI adoption experience, participants also naturally discussed its implications. AI’s effects extend well beyond efficiency, reshaping how work is organised, how students learn, and how opportunities are distributed across society. These impacts arise from the interplay of the technology’s own capabilities, the ways organisations, workers, and students adopt it, and the structural differences already present in Philippine society.

At the workforce level, AI automates repetitive tasks while at the same time creating new job scopes, such as reviewing and validating the outputs of AI systems. This redistribution of responsibility drives demand for hybrid skills that combine domain expertise with AI literacy. Yet it also hollows out junior specialist roles, raising the risk of a ‘missing middle’ in career progression where both senior and non-specialist roles have access to junior specialist expertise through AI. Worker reactions remain mixed as well: some feel empowered, while others fear they are being trained to use the very tools that will ultimately displace them.

In education, AI challenges the mission of universities and schools. If AI can replicate knowledge transfer as well as reasoning and analysis, then education must focus more sharply on cultivating judgment, ethics, and creativity. Assessment practices are also under strain as traditional exams lose relevance, forcing educators to design methods that evaluate reasoning processes rather than rote answers. At the same time, student behaviours are shifting as well: some use AI as a shortcut, others as an efficiency aid, and a concerning group as a crutch that undermines independent thought. Meanwhile, AI risks widening existing inequalities as urban schools gain access to AI tools and opportunities, while rural schools often lack even basic amenities, such as internet connectivity or reliable electricity.

Businesses and organisations are also moving along divergent paths. Some react defensively by cutting junior hiring, shifting to contractors, or relying solely on surface-level tools. Others are able to proactively capitalise by redesigning jobs, creating oversight roles, and investing in digital leadership training. Typically, larger firms and multinational corporations (MNCs) are better positioned to experiment, while MSMEs remain constrained by limited resources and external dependencies.

At the societal level, AI both intensifies existing divides and creates new ones. For example, resource-rich firms, elite universities, and connected communities continue to accelerate ahead, while disadvantaged groups fall further behind. At the same time, the AI disruption creates new divides. AI adoption does not unfold evenly across sectors, due to the technology’s inherent nature, resulting in what can be described as an ‘exposure divide.’ Business process outsourcing (BPO), marketing, and content creation face immediate pressures for adaptation, whereas other sectors or regulated professions can remain relatively insulated for now.

The intensification of existing divides, the emergence of new ones, and the uneven trajectories they create present a central challenge for AI governance: to design policies that not only address inequalities along familiar fault lines, but also anticipate the asymmetric disruptions unique to AI.

Governance Challenges in Managing AI-Driven Workforce Transformation

These uneven trajectories of AI adoption and impact inevitably raise pressing questions of governance. Participants emphasised that the challenges stem not only from AI itself, but also from the contexts into which it is deployed: weak internal governance structures, fragmented coordination, persistent educational divides, and the uneven readiness of MSMEs. Addressing these challenges requires governance frameworks that are both operationalisable and context-sensitive.

- **Weak internal AI governance structures expose organisations to AI adoption risks.** Policies often lag behind deployment and are poorly communicated, leaving gaps in accountability and causing anxious employees.

Recommendation: Embed governance directly into daily workflows through cross-functional groups, practical communication (e.g., newsletters, guides), and iterative review processes so that adoption and governance move in tandem.

- **Generative AI's inherent unreliability demands stronger oversight.** Outputs often sound authoritative but may be inaccurate, biased, and even harmful. Without clear guidelines, over-reliance creeps into workflows.

Recommendation: Anchor human oversight in AI-integrated workflows by training staff to critically verify outputs, equipping leaders with AI governance skills, and clarifying when humans should be in, on, or out of the loop.

- **AI risks creating a 'missing middle' in the workforce.** By hollowing out junior specialist roles, organisations weaken long-term career pathways and leadership pipelines.

Recommendation: Redesign AI-impacted jobs inclusively, creating transitional roles (e.g., AI reviewers) that can evolve into sustainable functions, and safeguard career progression by involving employees in redesign processes.

- **MSMEs struggle in an AI ecosystem designed for larger players.** Constrained by cost, infrastructure, and expertise, they risk falling further behind as governance frameworks assume the capacity of large firms.

Recommendation: Level the playing field by encouraging established players to share infrastructure, provide knowledge transfer, and co-fund pilot projects, ensuring MSMEs are supported as part of the broader ecosystem.

Governance Challenges in Education and the AI Talent Pipeline

If workforce governance challenges highlight the risks of hollowed career pathways, uneven adoption, and fragmented coordination, the education and talent pipeline raises equally fundamental questions about the very mission of education, the guardrails needed to protect independent thinking, the widening skills mismatch, and the risk that AI adoption could deepen existing divides.

- **AI forces a rethink of the mission of education.** With generative AI taking over knowledge transfer, reasoning and analysis, educators are split between ensuring the employability of graduates and cultivating values, ethics, and critical thinking. Furthermore, there is a growing movement toward microcredentials, underscoring the pressure to cater either to the immediate needs of employers or to the long-term capacities of students.

Recommendation: Reframe the mission of education across life stages, with AI governance helping educators identify and safeguard what is uniquely human: judgment, creativity, and adaptability.

- **Students' over-reliance on AI threatens independent thinking.** Many turn to AI for shortcuts, efficiency, or out of insecurity, raising concerns about the integrity of assessments and critical reasoning.

Recommendation: Set guardrails that encourage human reasoning, including assessments that test process and critique rather than final answers and memory, and clear rules on when AI can and cannot be used.

- **AI exacerbates the skills mismatch as curricula struggle to keep pace with industry changes.** Universities adapt slowly while industry shifts rapidly, leaving graduates underprepared and employers emphasising problem-solving skills over credentials.

Recommendation: Narrow the AI-driven skills gap by embedding sector-based industry-academia feedback mechanisms into curriculum design, ensuring continuous alignment with real-world needs.

- **Equitable access to AI in education remains elusive.** Urban schools and elite universities move ahead, while rural and underfunded institutions often lack access to basic and necessary amenities (e.g., internet, electricity), and exposure to AI tools as well as opportunities to work with industry partners, thereby reinforcing existing divides.

Recommendation: Embed inclusion strategies into AI governance, tailoring policies to varying readiness levels, investing in underserved regions, and encouraging resource sharing to prevent adoption from worsening inequality.

The Future We Make: Our Responsibility to Shape AI

Beyond policies and recommendations lies a deeper set of uncertainties. Participants emphasised that AI is not just a technical challenge, but fundamentally, a societal one, compelling us to ask fundamental questions about how humans and institutions will shape its trajectory.

Six Questions about the Future of AI, *for Now*

1. The Future of AI Governance

Participants acknowledged the uncertainty and limitations of governance in a rapidly evolving field. Principles such as fairness and accountability are often invoked but rarely operationally defined in practice, and regulations risk being too broad or too onerous for those least able to comply. The unresolved issue is whether governance can get ahead of disruption.

Can governance ever be truly proactive? And proactive across the shifting layers of abstraction where AI operates? For now, what mechanisms of oversight, participation, or accountability can actively shape the trajectory of AI for the individual, organisational, and public good?

2. The Future of Work

AI adoption highlights both productivity gains and deep anxieties about the erosion of junior roles, which serve as entry points for careers and social mobility. Some have asked whether

work itself needs to be redefined, with ideas such as universal basic income or shorter work weeks being discussed.

If AI increasingly automates the very entry points where career pathways begin, what does this mean for the future of work as a foundation for livelihood and social mobility? For now, how can we design roles where AI enhances human capability and workers' contributions, in turn, advances AI?

3. The Future of Education

The mission of education came under distinct focus during the roundtable sessions: **is it to serve the economy by producing employable workers, to cultivate values, critical thinking, and a lifelong learning mindset, or to strike a balance between these two objectives? Where should we draw the line?**

As AI takes over knowledge transfer and reasoning, the question of what remains uniquely human in education becomes more urgent. *For now, how can we identify and nurture what is uniquely human and what is uniquely 'you' for each individual student?*

4. The Future of AI Adoption in Organisations

Adoption remains fragmented, as many firms lack internal structures, rely heavily on consultants, and many MSMEs struggle to keep pace with the changes. Regulations risk burdening smaller firms, while productivity in AI adoption may still be narrowly measured in terms of efficiency or cost reduction.

Can AI reframe your organisation's notion of productivity by identifying and embedding humanistic concerns into the very process of creating new value? For now, how do we transform AI governance as a discipline that sparks innovation?

5. Future Implications for Society

AI is redrawing social fault lines, intensifying divides between large firms and MSMEs, urban and rural schools, and early-exposed sectors versus shielded professions. Yet participants also saw its potential to democratise opportunities if guided responsibly.

If AI is already redrawing the fault lines of society, the question is whether it will entrench those divides, or whether it can be governed in ways that actively bridge them. For now, how can we design AI governance as a field that transforms disruption into inclusion and shared progress?

6. The Future of Human Capacity

Perhaps the most personal concern was whether individuals would lose confidence in their own reasoning as they lean on AI for shortcuts, efficiency, or reassurance. AI is here to stay, but the question is whether it will displace us in our vision for our own future.

Do we treat AI as something that happens to us, or do we strengthen our own capabilities so that we remain the ones shaping our future? What then are those capabilities specifically? For now, how can we strengthen human capacity so that AI follows our course, rather than quietly charting one for us?

Maximising AI's Potential Means Bringing Our Best Into The Picture

AI's future trajectory, therefore, depends not just on the technology itself, but on how we humans choose to combine our creativity, reasoning, judgment, and values with it. Just as education safeguards critical thinking while integrating new tools, and just as organisations redesign roles to

balance efficiency with career pathways, the way technology unfolds and impacts is also contingent on its position within our societal context, at every level, from individuals to organisations, communities and even to entire societies. As AI is changing us as individuals and society as a whole, we too have the opportunity, indeed, the responsibility, to shape AI. The future of AI governance in the Philippines, and globally, therefore, cannot be determined solely by algorithms alone. Maximising the shared potential will be determined by whether we, as humans, bring the very best of our capacity into the picture.

That is both the challenge and the opportunity ahead.

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1. Background: AI Governance Roundtable in Manila



Context and Significance

The Manila Regional Roundtable on AI Governance, convened on 24 July 2025, was co-organised by [AI Singapore](#), a national AI programme launched by the National Research Foundation, Singapore, and the [Analytics and Artificial Intelligence Association of the Philippines](#) (AAP). This roundtable forms part of AI Singapore’s ongoing ASEAN [series](#), which explores region-specific challenges and opportunities in AI governance.

As the Philippines advances its national focus on transforming education and the workforce through the establishment of the [National Education and Workforce Development group](#), it is timely to engage stakeholders from government, industry, and academia to collaboratively explore these emerging challenges. Discussions focused on the theme “*AI Governance in Workforce Development for Inclusive Industry Transformation*”, addressing both the opportunities AI presents for productivity, innovation, job creation, and education, as well as the governance challenges it raises around displacement, AI decision-making, and the alignment of education with industry demand.

Objectives and Participants

The roundtable was designed as a small, focused gathering of industry leaders, regulators, and academics, fostering candid exchange across sectors. Each participating organisation was invited to contribute brief interventions of up to three minutes, sharing practical experiences, concerns, and insights into how governance frameworks could reduce risks and guide the responsible use of AI. Participants also considered what forms of solutions would be most helpful in clarifying uncertainties and shaping inclusive workforce transitions in and beyond the Philippines.

Format and Guiding Questions

This half-day event consisted of two interactive sessions, structured to explore AI’s impact from both the demand side (e.g., job displacement, creation, redefinition, restructuring) and the supply side (e.g., education, student learning, skill development) of the industry workforce:

Session 1: AI and the Future of Jobs – Governance Challenges in Employment and Workforce Transformation

As AI becomes more embedded in organisational processes, it is reshaping the nature of work, automating tasks, influencing hiring decisions, and redefining job roles. These developments raise significant governance issues, including job displacement, bias, and opacity in algorithmic decision-making, as well as emerging concerns over fairness and accountability in the workplace.

- Managing AI-induced job displacement and workforce transitions
- Regulating AI in hiring and workplace decision-making
- Algorithmic management and worker rights
- Industry adoption and compliance challenges

Session 2: AI and Education – Governing the AI Talent Pipeline

Beyond the workplace, AI is also transforming individual knowledge learning, skill development and education ecosystems. From intelligent tutoring agents to adaptive learning platforms, AI-enabled tools offer more flexible and scalable education pathways. However, these advancements also raise governance questions related to algorithmic bias, diminished training of critical thinking, strategic learning behaviours, and a growing mismatch between academic curricula and industry demands.

- AI in education – risks, reliability, and accountability
- Challenges of AI education – training the next generation of AI professionals
- Impact of AI on skills and workforce adaptation
- Skill mismatch between education and industry demand

All discussions were conducted under the Chatham House Rule, ensuring confidentiality and candid sharing.

The Manila Roundtable reinforced the importance of inclusive, context-sensitive AI governance frameworks that reflect the Philippines' unique economic structure, particularly the central role of MSMEs, while also connecting national priorities to broader regional and global developments. As part of AI Singapore's ASEAN roundtable series, the insights from Manila contribute to a growing body of regional perspectives on how AI can be governed to strike a balance between innovation, opportunity, and social responsibility.

2. AI at Work and School: The Philippines' AI Adoption Experience

2.1 Rapid Uptake Across the Ecosystem

Across the Philippines, there has been a rapid adoption of general-purpose AI, such as ChatGPT, Gemini, Claude, and Copilot. What was once a novelty has become a daily utility, with tools now integrated into workflows across industries and educational settings. Enthusiasm is clear at organisational levels. Participants noted that business associations are actively promoting AI awareness, even when members' exposure remains limited to free, general-purpose tools. Training providers confirmed this shift, observing that while cybersecurity once dominated demand, AI has now become the primary focus for corporate programmes.

The same momentum is equally evident on the ground. Students and staff are embracing AI, often progressing ahead of institutional guidelines, whether with or without official approval. At one university, AI was described as a "playground," with both faculty and students experimenting with tools like ChatGPT and Copilot. In another case, academic staff have been participating in capacity-building sessions since 2022, though adoption remains inconsistent, with some resistant and others enthusiastic. Elsewhere, participants observed that industry demand for AI-literate graduates is already changing student behaviour: some drop out of advanced degree programmes halfway through once they feel they have acquired employable AI skills.

At the same time, adoption remains uneven. Business leaders acknowledged that even head offices are "not particularly fluent with AI," with most firms still relying only on free-tier applications rather than more sophisticated systems. Educators warned that the absence of reliable internet connectivity and electricity in rural schools threatens to widen the divide, leaving many students excluded from the current wave of AI adoption.

This landscape, marked by uneven technical resources and capacity, strong grassroots enthusiasm, and ad-hoc organisational pushes, is both vibrant and diverse. It reveals an adoption story defined by both opportunity and constraint, setting the stage for a closer examination of how AI is deployed across different industries.

2.2 Diverse Deployment Patterns Across Industries and Education

Throughout the roundtable, participants emphasised the breadth of AI use cases, frequently going into sector-specific deployments and the constraints they encountered. Their accounts revealed clear contrasts, not only between MNCs and MSMEs, but also across industries with distinct orientations: creative fields experimenting freely, regulated sectors adopting cautiously, and service-heavy industries caught in between. What cut across these diverse accounts, however, was a common thread that AI adoption is pervasive.

Sector	Example AI Deployment
Software Development	AI is used for code generation, UI/UX design

Higher Education	AI is used by faculty to generate course materials and track teaching activities. Training demand is shifting towards AI. Universities are also launching degree programs and redesigning curricula around AI.
Training Centers	AI is deployed for pre-screening interview assessments, enabling multiple candidates to be evaluated simultaneously.
Telecoms	AI is used for insight generation, internal analytics, data process acceleration, chatbots, both external-facing and internal-facing ones
Consulting	AI is being deployed to generate first-level analytics that were traditionally handled by junior consultants, and is increasingly being embedded into client interactions.
Creative Industries	AI is used to overcome design blocks and support ideation in graphic design. Some professionals reframed it as a new industrial revolution that expands productivity and creative possibilities.
Legal Sector	AI is used to monitor and summarise bills and legislative hearings, automating thousands of hours of manual review and making unstructured data tractable through natural language queries.
Banking	AI is deployed to enable frontline staff with sales coaching tools and automate documentation.
IT-BPM	AI is used in customer chatbots and client interactions, automation of routine documentation and back-office processes, analytics support for faster insights, and drafting client deliverables such as marketing case studies

Table 1: Examples of AI Deployment Across Sectors – This table presents selected examples of how AI is being applied across different sectors in the Philippines. It is illustrative rather than comprehensive, highlighting the range of activities discussed during the roundtable.

Table 1 illustrates the variation in AI adoption across different sectors. In software development, AI accelerates output and shortens timelines, with code generation and UI/UX design tasks reduced from weeks to days. In education and training, AI serves as both a teaching aid and an automated assessor, including AI-led interviews that reduce evaluation times by half. In telecoms and consulting, AI enhances analytics and insight generation, often replacing tasks previously performed by junior staff. In the creative industries, it serves as a partner in idea generation and overcoming design blocks, although some professionals remain concerned about displacement. In the legal sector, AI functions as an efficiency tool, automating bill monitoring and reviewing extensive legislative hearings. In banking, participants describe AI’s democratising effect: AI pilots equip frontline staff with tools once reserved for specialists. In the IT-BPM sector, AI is already automating core functions, from drafting client deliverables, such as case studies, to managing customer chatbots, back-office documentation, and providing analytics support. These patterns highlight that adoption patterns are diverse and not uniform. Each industry approaches AI according to its own logic: creative sectors tend to favour experimentation, while regulated and service industries focus on efficiency. Conversely, workers in service-intensive industries face pressure as AI increasingly automates their most repetitive tasks.

In the education sector, adoption has similarly been diverse but unmistakable. Universities described classrooms and campuses as a “playground” where faculty and students freely experiment with tools like ChatGPT and Copilot, applying them to course material generation, research support, and productivity comparisons. Training demand has shifted sharply, with requests for AI skills now surpassing those for areas such as cybersecurity. At the same time, institutions are investing in staff capacity-building, although adoption remains uneven, with some faculty members embracing AI, while others remain resistant. Several universities have also moved to formalise AI in their curricula, from launching AI-related degree programs to redesigning courses in response to the proliferation of AI use in the industry.

2.3 What The Philippines’ Experience Reveals About AI Adoption

- **AI Empowers Organisations to Interact with Unstructured Data Through Natural Language and Generate General, Open-Ended Outputs for Various Applications**

Participants emphasised that one of the most significant shifts brought by AI is its ability to make unstructured data workable through natural language. In the legal sector, for example, practitioners described how monitoring legislation and congressional hearings once required thousands of hours of manual review. With generative AI, these materials can now be queried and summarised directly, producing general, open-ended insights rather than outputs limited to pre-set categories of narrow AI models. Moreover, what once demanded painstaking, manual labour mixed with necessary technical fluency is now accessible through conversational interaction with AI, opening new possibilities for how organisations engage with complex information.

- **AI Democratizes Expertise Across Roles**

Participants noted that AI is redistributing expertise across organisational hierarchies. In banking, AI assistants provide frontline staff with AI-driven sales coaching, enabling them to perform sales tasks without depending on specialist oversight. In consulting, AI generates first-level analysis that was once done by junior consultants, making that expertise directly available on demand to both senior and client-facing staff. In telecoms, analytics tools are accelerating insight generation, though not without unease among teams who fear they are training their replacements. This ‘democratisation’ is not simply about the wider adoption of tools, but about the fact that expertise once siloed in specific roles is becoming available to everyone, from frontline workers to senior managers. The effect is therefore a blurring of role specialisations: more people can now perform a broader range of tasks, but the roles that traditionally mediated this expertise are thus sidelined.

- **AI Expands the Concept of ‘Productivity’ as Gains Extend Beyond Time Saved, but Carry Implications for Workers**

Relatedly, various sharings from participants highlighted that the productivity gains from AI are not limited to efficiency, defined as faster turnaround times, but extend to who can now do the work. As noted in the previous point on the democratisation of expertise, AI enables non-specialists and senior staff to access capabilities that were previously siloed in junior or

specialist roles. However, the benefits come at a cost: the ‘apprenticeship layer’ of junior roles is being hollowed out as entry-level specialist work disappears, leaving fewer rungs on the career ladder. ‘Productivity’ in this sense thus comes not only from efficiency gains but from flattening hierarchies and expanding job scopes.

Taken together, these patterns highlight some of the trends that emphasise the notion that AI adoption in the Philippines is not a uniform process but one with a multi-dimensional impact. It enables organisations to interact with unstructured data in new ways, redistributes expertise across hierarchies, and drives productivity by broadening job scopes. Yet each of these shifts carries its own tensions: between access to AI and its exclusion, the empowerment of workers and students versus displacement, and short-term efficiency gains versus long-term decline in expertise. The following section turns from adoption patterns to these broader impacts, exploring how they are reshaping both work and education.

3. Beyond Adoption: The Multi-Dimensional Impacts of AI on Work and Society

AI's expanded definition of productivity gains is only the starting point of its broader impacts. First, the nature of the technology itself, its capacity to automate tasks, augment roles, and generate new forms of open-ended output, drives change across every layer of work and education. Second, the ways organisations, workers and students adopt AI, shaped by their own needs and incentives, result in very different use cases, implications and outcomes. Third, the way these patterns intersect with existing structural differences within society can also produce varying impacts. This interplay of technology, organisational and personal choices, along with societal variations, shapes the complex, multi-dimensional landscape of AI adoption implications.

3.1 Workforce Transformation

Fundamentally, AI is transforming the substance of work itself. At the role and task level, it automates some functions, augments others, and creates new responsibilities that workers have never previously had to consider. Participants explained how repetitive tasks are being gradually taken over by AI, while humans are now responsible for overseeing these functions. For example, one participant pointed out that employees are now being asked to “*check and review AI-generated content*” even though this wasn't traditionally part of their job. The effect is therefore not simply labour-saving; it is the redistribution of responsibility across human–AI boundaries, where humans previously both created and checked, but now AI outputs, and humans are left with reviewing the outputs of AI.

- **AI Drives New Skill Demands**

This redistribution naturally drives new skill demands. Workers are expected to upskill by learning how to integrate AI into workflows or reskill into related areas, such as large language model operations. As mentioned above, new hybrid responsibilities are emerging that combine domain expertise with AI literacy, marking a shift in how specialisation itself is defined. However, the ability to take on these new responsibilities relies heavily on training and support structures. Organisations with strong internal systems can help employees adapt; those lacking such systems risk leaving their staff behind.

- **AI Creates The ‘Missing Middle’**

As AI democratizes expertise across various roles, a specific consequence of this shift is the hollowing out of junior specialist positions, since both senior and non-specialist roles now have access to junior specialist expertise through AI.

Participants highlighted examples such as junior programmers whose coding tasks can be handled by automated tools. Similarly, data engineers are questioning their future as routine tasks are increasingly being absorbed by AI. What emerges is a potential ‘missing middle’. Without apprenticeships or entry-level specialist roles, there are fewer routes for future senior expertise to develop. Even when new AI-driven responsibilities arise, they remain limited and subject to change, becoming more visible in larger firms than in smaller ones.

- **Mixed Reactions by Workers**

For workers themselves, the transformation is experienced with mixed emotions. Some described feeling empowered, newly able to accomplish tasks that were previously beyond their scope. Others expressed deep anxieties, worried that they were training the very tools that might replace them. Acceptance was observed to increase when AI was described explicitly as augmentation rather than substitution, suggesting that narratives of collaboration are crucial for facilitating smooth transitions.

These changes, when considered together, demonstrate how AI is not only altering the tasks that need to be done but also how workers perceive their roles. The rapid nature of AI's disruptive effects in the workplace thus makes it more difficult for workers to distinguish between when AI automates and when it augments, whilst broadening the concept of productivity for organisations and disrupting existing career paths.

3.2 Changes to Education and Talent Pipeline

Participants highlighted how AI has changed the education sector in numerous ways, challenging the core aims of education, disrupting traditional assessment methods, altering student learning behaviours, and risking the amplification of inequalities due to its limited access.

- **AI Challenges the Mission of Education**

AI's capacity to facilitate knowledge and skills transfer, as well as generate outputs containing analysis and reasoning prompts institutions to reconsider their purpose. As one participant asked, "Is education about helping students realise their full potential...or is the purpose of education to produce workers to service the economy?". This consideration becomes more pressing in the era of AI: if machines can already replicate essential skills of knowledge transfer and analysis, the role of human educators must evolve to develop capacities that AI cannot easily replicate, such as critical thinking and reasoning, creativity, ethics, and holistic student development.

- **AI Disrupts Assessment and Integrity**

As a result of AI being able to generate open-ended insight, AI therefore increasingly challenges traditional forms of student assessment. One educator noted that "it's very difficult now to create assessments because any kind of assessment that you make, the student can just take a screenshot of the question, put it on an AI platform, and then it would provide not only the correct answer but even the solutions...so what kind of assessment should I design, right? because almost any question, any even project-based or case analysis can be answered by AI." Beyond this, participants stressed that educators are under pressure to ensure students genuinely retain knowledge and develop the critical thinking skills intended, as AI tools make rote learning less relevant.

- **AI Changes Student Learning Behaviours**

Participants also observed how AI is transforming the way students approach learning. Some use AI as a shortcut, others as a means of increasing efficiency, and a third group rely on it out of insecurity, feeling they are “not smart enough” to solve problems independently. One participant warned that this last group is the most concerning: “If you can’t form an opinion, then forget employment, it’s hard to be a fully realised person if you can’t formulate your own opinions.” The risk is that AI becomes a crutch, undermining the development of independent reasoning.

- **AI Amplifies Inequalities in Access**

Lastly, AI risks widening the digital divide across the country. Urban schools with reliable internet can implement AI tutors and digital platforms, whereas many rural schools lack this capability. As one participant noted, in Manila, having connectivity seems normal, but outside urbanised areas, “some communities do not even have access to an internet connection, even electricity.” Without proactive intervention, AI could intensify inequalities in opportunity, concentrating benefits in already privileged regions and institutions.

While AI is a primary driver of such impacts, they do not occur in isolation. AI’s implications fall on a system already characterised by curricula that have to adapt to an ever-changing technological landscape, the need for a more substantial alignment between industry and academia, and deep-rooted societal and infrastructure gaps. AI intensifies these pressures, compelling the education sector to adapt more quickly, rethink assessment methods, safeguard the integrity of learning, and ensure equal access to opportunities. In doing so, it challenges policymakers, educators, and industry alike to redefine how talent is nurtured for an AI-driven future.

3.3 Organisational Structures and Business Models Development

Just as the impact of AI varies among workers in different sectors and institutions in various contexts, organisations and businesses also experience AI in varying ways. The roundtable highlighted how the impact of AI can drive organisations in very different directions, forcing some into reactive adjustments while allowing others to adopt a proactive approach and experiment with new practices.

- **How Organisations React**

Amid the pressure caused by AI disruption, organisations often respond by conceptualising AI as a technology that substitutes for workers’ productivity. For example, participants noted that organisations are considering whether certain tasks should be automated rather than hiring new staff, raising the risk of reduced recruitment pipelines and fewer junior opportunities, as entry-level tasks are often the first to be absorbed by AI.

Similarly, some leaders mentioned that they were already reducing hiring forecasts or shifting towards contractors and gig workers, adopting an “AI-first” mindset that prioritises full substitutory automation over workforce development.

In terms of AI adoption, organisations react by simply adopting surface-level tools such as ChatGPT, without developing more integrated applications or workflows.

For smaller enterprises, the challenges are even greater as MSMEs face practical constraints in terms of time, cost, data infrastructure, and technical expertise, which limit their access to advanced AI tools and hinder meaningful experimentation. As one participant from the Chamber of Commerce noted, even their own head office was “only familiar with the most basic things... ChatGPT, Gemini, and all that,” highlighting how firms with limited resources remain reactive and cautious in their adoption.

- **How Organisations Proactively Capitalise**

On the other hand, large companies were often portrayed as taking a more proactive approach to restructuring. Participants shared how some companies were already beginning to redesign jobs and create new ones while pursuing productivity gains. Participants also noted that organisations with resources are heavily relying on external support to redesign jobs and workflows, “...Companies do not know how to redefine those jobs with AI... So they go to consultants, or advisors... and they say, please help us to redefine this.” While this dependence indicates the limited in-house AI expertise available, it highlights that firms can seek support to actively experiment with AI. Some firms even reported creating new oversight and validation roles where staff are responsible for reviewing and verifying AI outputs. Such a proactive response recognises that accuracy in AI cannot be assumed and that human judgment remains vital in the process. Firms are also inculcating AI literacy skills, rolling out digital leadership training for managers and executives to help them manage restructuring and prevent employees from being displaced. Larger firms were thus often *better equipped to experiment* with AI-augmented workflows, allowing them to find the *best fit* for AI in their organisations.

Overall, this creates an organisational landscape that results in divergent outcomes. Well-resourced firms and institutions adapt early by *proactively* restructuring their operations to stay ahead of the curve, while those with fewer resources are compelled to *react* under pressure.

3.4 Structural Implications

AI’s impacts are not confined to individual workers or organisations. They ripple across society, sharpening old fractures while generating new ones unique to the inherent nature of AI itself. Participants highlighted two broad patterns: How AI intensifies existing divides and how it also creates new divides in how disruption unfolds.

- **AI Intensifying Existing Divides**

As mentioned earlier, participants observed that AI adoption often reflects existing inequalities: well-connected and well-resourced organisations, workers, and institutions can adopt AI more rapidly and readily. Larger firms and multinationals are able to pilot AI-enhanced workflows, whereas MSMEs are hindered by cost, digital maturity, and a lack of technical expertise. Elite universities in Manila can respond to the changing AI landscape by

regularly updating their curricula and forming industry partnerships, whereas provincial schools may struggle to keep pace. Urban schools can implement AI-enhanced education programs, whereas many rural communities lack reliable internet connectivity or electricity.

This dynamic risks perpetuating a cycle in which those with resources accelerate further ahead, while those without fall increasingly behind. The cycle does not stop at adoption itself. It creates reinforcing advantages across other domains: workers in better-resourced firms gain earlier exposure to AI tools and thus upskilling opportunities; students in connected schools become AI-ready more quickly, shaping their long-term competitiveness; and organisations with capacity strengthen efficiency and productivity in ways that compound over time.

For those already disadvantaged, the opposite holds. Without access to the same tools or partnerships, workers risk stagnating in roles that do not evolve, jeopardising their long-term livelihoods; students graduate without AI readiness, and organisations fall further behind in competitiveness. What begins as unequal adoption cascades into a widening gap across skills, readiness, and productivity, making the divide harder to close the longer it persists.

- **AI Creating New Divides**

Beyond amplifying existing inequalities, AI introduces new fractures of its own. Participants observed that disruption does not fall evenly across sectors. Some industries face immediate pressure, while others remain relatively insulated. As one participant noted, it is less about which jobs are most affected than which will be the last to be affected. Whether due to being more difficult to automate, reliance on a human touch that people still prefer, or because they are shielded by strong professional protections.

This uneven pace of disruption creates what can be called an *Exposure Divide*. Sectors such as Business Process Outsourcing (BPO), marketing, and content creation confront urgent adaptation pressures. At the same time, roles in construction or civil engineering are less likely to be immediately replaced in the short term. Professions like law and medicine, meanwhile, are cushioned by strong regulatory protections and a preference for human interaction. The result is a new layer of inequality defined not by access to resources, but rather by timing, determined by the current state of AI as well as our reaction to it, i.e. when disruption arrives and how quickly adaptation is forced.

The intensification of existing divides and the emergence of new ones thus risk producing uneven trajectories, with some groups forced to race ahead under pressure to adapt. In contrast, others remain insulated until disruption eventually reaches them. For AI governance, then, the challenge lies in managing this asymmetry: policies must address divides that are widening along familiar fault lines, while also anticipating fractures caused by the nature of AI. This uneven pace of change then prompts further consideration of whether an overarching or cross-cutting ‘policy for AI’ should be crafted, given that its impacts are inherently asymmetric, overwhelming some sectors while sparing others, at least for now. The following section focuses on challenges faced by AI governance, exploring how regulation can navigate a landscape where AI’s impacts are both uneven and accelerating.

4. AI Governance in a Landscape of Uneven Trajectories

4.1 Governance Challenges in Managing AI-Driven Workforce Transformation

These uneven trajectories of AI adoption and impact inevitably raise pressing questions of governance. Participants emphasised that the challenges stem not only from AI itself, but also from the contexts into which it is deployed: weak internal governance structures, fragmented coordination, persistent educational divides, and the uneven readiness of MSMEs. Addressing these challenges requires governance frameworks that are both practical and context-sensitive.

- **Weak Internal AI Governance Structures Expose Organisations to AI Adoption Risks**

A recurring theme in the roundtable was that many organisations in the Philippines are still in the early stages of establishing internal governance structures for AI. For most, adoption has outpaced the creation of clear policies or accountability mechanisms, leaving use fragmented and uncoordinated. As one chamber representative admitted, even head offices themselves are often not fluent in AI, and members remain unfamiliar with more sophisticated applications.

Some larger firms have begun experimenting with governance mechanisms such as working groups, policy teams, or AI risk registries. Yet, participants acknowledged that these efforts remain ad hoc, narrow in scope, and disconnected from core decision-making processes. Even where policies exist, they are often poorly communicated across departments. One participant observed that staff are unlikely to seek out internal governance documents independently, emphasising the importance of communicating policies in ways that actively engage employees rather than leaving them buried in repositories.

As noted earlier, many companies have turned to external consultants to assist with job redesign and planning because they lack the in-house expertise to undertake these tasks themselves. While external partnerships provide expertise, they also suggest a deeper capability gap surfacing that organisations may not, at present, be confident enough in owning AI governance internally. As a result, the consequences of weak internal governance are visible both at the organisational and workforce levels. Fragmented policies create accountability gaps, uneven adoption, and the risk of AI tools being deployed without alignment to broader organisational objectives or strategy. Employees also expressed anxiety when the human-AI work relationship remained undefined, with some fearing that the very tools they were asked to test would eventually replace them. Without clarity in the form of strong AI governance measures, AI adoption risks undermining workers' trust rather than strengthening it.

In short, the governance challenge is not simply drafting AI policies, but embedding them across organisations in clear, established, intuitive workflows, as well as ensuring they are communicated, coordinated, and owned. Until internal governance structures mature, organisations remain exposed to adoption risks that no amount of external consultancy can fully mitigate.

Recommendation: Embed AI Adoption and Governance Side by Side in Daily Workflows

“...some of the things that we're seeing work is...having governance councils because you need to have accountability. Another is AI risk registries... general policies on how to address the usage... but even then... it's also propagating the policy across the workforce because nobody would voluntarily visit a site on policies... so we're thinking of coming up with an internal newsletter, an AI corner, a practical guide, conducting digital literacy sessions...”

The risks of AI adoption are magnified when organisations roll out tools without simultaneously embedding governance, leaving fragmented policies and unclear accountability. Participants mentioned that at times, policies exist on paper but not in practice, and that clearer integration into workflows is crucial. AI adoption and governance must therefore move together. Organisations should build internal structures with an *AI governance by default* mandate to embed oversight directly into operational workflows. This involves forming cross-functional groups to guide adoption, pairing rollouts with clear communication on responsible use (through newsletters, case studies, or guidance notes), and supporting iterative review cycles so that oversight evolves in sync with deployments. By embedding governance directly into AI workflows, organisations can mitigate the risks associated with AI adoption and enhance resilience and accountability within their own operations.

Recommendation: Redesign AI-Impacted Jobs And Careers Inclusively to Prevent a 'Missing Middle' in the Workforce

“When entry-level jobs... are replaced by AI, the question is where will middle managers come from, because typically the middle layer goes up through the ranks.”

The risks of AI adoption extend not only to immediate disruption but also to weakening the long-term talent pipeline. By automating junior specialist roles, organisations risk creating a 'missing middle', where career pathways collapse and future leaders cannot be developed. Inclusive job redesign and career pathways should therefore be embedded into internal governance structures, with redesign conducted in collaboration with workers, not just to or for them. This means assessing impacts at the individual level, creating transitional roles such as AI reviewers that can evolve into sustainable career functions, and ensuring transparency and buy-in from employees. By anchoring inclusive redesign within organisational governance, companies can safeguard career progression, prevent hollowing out of the workforce, and mitigate the risks of AI adoption over time.

- **Generative AI's Inherent Unreliability Demands Stronger Oversight**

Participants consistently highlighted the governance challenge posed by the inherent unreliability of generative AI. While these systems often produce outputs that appear coherent and authoritative, they can also generate errors or hallucinations that go unnoticed. As one participant noted, “when you have AI that is strikingly eloquent, it sounds so right... but once in a while you might get a wrong answer or hallucinated facts. We become very desensitised”.

Despite these risks, organisations still lack structured processes for reviewing AI-generated content. In practice, staff are often left to exercise their own judgment, without clear guidelines for when or how to verify AI outputs. Some firms are beginning to assign staff to review AI outputs, but these oversight roles remain ad hoc and transitional in nature. One participant highlighted that ‘AI validator’ tasks are emerging, but they are primarily seen as temporary stopgaps until models improve.

The absence of formal oversight mechanisms would then leave organisations vulnerable to over-reliance on generative AI. As the correctness of AI’s outputs is intermittent or ad-hoc in nature, employees can become accustomed to trusting outputs that are usually correct, resulting in errors slipping through when they do occur. “When the natural accuracy rate is actually pretty high, then we become desensitised...reminders don’t actually work,” one participant said. Without stronger AI governance, these human-AI dynamics risk embedding potentially damaging mistakes into business processes, thereby undermining accountability and transparency. The governance challenge, therefore, lies not only in encouraging adoption but also in ensuring that safeguards are in place, such that workflows combine the benefits of both AI and human critical judgment. Generative AI should therefore be accompanied by comprehensive oversight structures that maintain critical engagement, fact-checking, and accountability, so that its outputs support rather than erode human and, to a larger extent, organisational decision-making.

Recommendation: Anchor Human Oversight in AI-Integrated Workflows by Developing Workforce and Leadership AI Governance Capabilities

“...a very big conglomerate here in the Philippines... most of the things that they needed to know is how to do digital leadership... 50,000 public sector employees will be trained in the near future for digital leadership as well...”

The inherent unreliability of generative AI amplifies the risks associated with AI adoption. Outputs may sound authoritative, but they can be incorrect. Without human oversight, these errors slip into decisions. To mitigate these risks, organisations must embed human oversight within AI-integrated workflows by developing workforce and leadership governance capabilities. This involves training staff to critically verify outputs, equipping managers with digital leadership skills, and clarifying oversight responsibilities at every level. By embedding human judgment as a safeguard, organisations ensure accountability remains with people, not machines.

- **Workers** should be trained to directly assess and verify AI outputs, engaging critically with tools as part of daily AI–human workflows.
- **Leadership**, along with workers, must design AI-integrated workflows, provide clear guidance, and translate policies into operational governance measures that staff can effectively act upon.

Clarifying whether humans are *in, on, or out of the loop* is not a technical choice but a governance one. By anchoring oversight at both levels, organisations safeguard against blind reliance on AI and ensure accountability remains firmly with people.

- **MSMEs Struggle in an AI Ecosystem Designed for Larger Players**

MSMEs comprise the vast majority of firms in the Philippines. However, participants emphasised that they face structural barriers in adopting AI. Limited budgets, infrastructure gaps, and a lack of in-house expertise mean that most MSMEs rely on free, publicly accessible AI platforms. While larger firms have the resources to experiment with advanced use cases, MSMEs often cannot progress beyond basic applications.

This imbalance is compounded by governance frameworks that are not designed with MSMEs in mind. Policies and regulatory proposals often assume the capacity of large enterprises, leaving smaller firms either excluded or overburdened. Participants pointed to examples such as draft proposals to register all AI models at the national level. This measure may be feasible for big corporations, but it could overwhelm resource-constrained MSMEs.

The result is a widening digital divide. As large enterprises advance their AI capabilities, MSMEs risk falling further behind. Even when free tools are available, their limitations constrain the scope of transformation, and without access to affordable, context-appropriate solutions, MSMEs cannot realistically keep pace. Furthermore, participants also emphasised that governance must adapt to these realities. Tailored support measures such as sector-level initiatives, shared infrastructure, and low-risk pilot projects could lower the entry barriers for smaller firms. However, it is also important to consider that AI governance should also involve ensuring awareness and securing buy-in from MSMEs themselves. Without effective communication and engagement strategies, even well-designed initiatives risk being underutilised or failing to gain traction among the very firms they are meant to benefit.

Recommendation: Level the Playing Field for MSMEs Through Support from Established Players

“...most small, medium-sized enterprises don’t have the capacity or manpower, or the systems to collect the data that they can leverage to create machine learning or AI tools... so we can only leverage services such as ChatGPT... it creates a... disadvantage for these companies.”

“...the challenge is about affordability. It always boils down to how much does it cost because... they end up with only what is free, accessible, but there’s a limitation. If you think about all the tools that are made for free, they can’t really apply as much as they would like to. So, I think if there is a way that all the AI tool providers are able to, you know, make it easily accessible, then I think the transformation will be even much faster.”

The risks of AI adoption weigh most heavily on MSMEs, which form the backbone of the economy but face significant barriers, including steep costs, inadequate infrastructure, and limited capabilities. Participants cautioned that governance frameworks designed for large enterprises only deepen the divide, effectively excluding smaller firms. The divide cannot be closed by MSMEs alone. Governance should encourage established players

(large firms, industry associations, and sector leaders) to extend support through shared infrastructure, knowledge transfer, and co-funded pilots. By treating MSMEs not as isolated adopters but as part of a supported ecosystem, AI governance can ensure that the benefits of AI adoption are distributed more equitably and that smaller firms are not left behind. Without such support, AI adoption risks widening the gap between MSMEs and better-resourced established players, not only in terms of economic benefits, but also in their ability to integrate AI governance measures and mitigate the risks associated with AI.

- **Coordination Efforts Can Strengthen an AI Landscape That Is Necessarily Decentralised or Fragmented**

Participants observed that responsibility for AI governance in the Philippines is necessarily distributed across multiple agencies, industries, and professional associations. Given AI's extensive disruption, no single body can comprehensively regulate or guide its use. This fragmentation, however, is contextual, as it is institutional: the economy is dominated by a myriad of MSMEs, including service industries, each playing a crucial role. At the same time, infrastructure gaps persist across regions, and genuine cultural sensitivities surrounding AI adoption are a real concern. Standard approaches imported from other countries or regions are unlikely to fit, making localisation a structural necessity. The governance challenge, therefore, is not to eliminate fragmentation, but to coordinate across it so that diverse realities are reflected in a coherent and practical framework. As mentioned earlier, proposals such as mandatory national registration of AI models illustrate the risks of insufficient coordination. While such measures may appear reasonable at the policy centre, they can become crippling when applied to MSMEs with limited resources. Coordination mechanisms are vital to surface these perspectives, ensuring that regulatory design accounts for different capacities and contexts.

At the same time, sector-level initiatives already exist, but uptake and visibility remain limited. Coordination should therefore involve not only government agencies, but also industry associations, education providers, and worker representatives. Building on existing resources and aligning them with government priorities could create a more coherent governance environment while avoiding duplication of effort. Importantly, coordination must also ensure practical relevance by addressing how AI governance affects work, hiring practices, and staff development at the organisational level.

Overall, participants noted that governance in this rapidly evolving area must allow for experimentation, learning, and open dialogue. Fragmentation can enable a diversity of approaches, but only if mechanisms exist to connect them, share lessons, and ensure that localisation does not turn into isolation. In this sense, effective coordination can turn necessary fragmentation into a strength, leveraging multiple actors and contexts while maintaining clarity, and more importantly, ensuring the immediate applicability of AI governance measures for firms and workers navigating AI adoption.

Recommendation: Strengthen Coordination by Identifying Context-Responsive Anchors for National AI Governance

“(A professional association) has actually released a code of ethics for AI practitioners... Something that you can use for your organisation.”

“...there’s a... bill actually that’s requiring everyone to register their AI models in the government. That might be something that we want to comment on... Whole country, you know, registering all of your AI models, that’s not going to work.”

The risks of AI adoption are compounded by a fragmented governance landscape. Participants agreed that this decentralisation is necessary to reflect diverse contexts, but without effective coordination, agency and sectoral efforts risk duplication and misalignment. The task is not to erase differentiation, but to identify anchors (sectoral boards, professional associations, and major institutions) around which coordination can gather.

Existing initiatives, such as professional codes of ethics, demonstrate that anchors already exist. By leveraging these anchors, governance can connect localised efforts, issue practical how-to guidance, and build iterative learning loops that adapt as contexts evolve. Grounding coordination in anchors rather than enforcing centralisation makes governance both context-responsive and coherent, ensuring policies remain practical and inclusive while still benefiting from cross-cutting insights.

4.2 Governance Challenges in Education and the AI Talent Pipeline

- **AI Forces a Rethink of the Mission and Practice of Education**

The rise of AI is prompting educators and policymakers to confront long-standing but unresolved questions about the mission of education. One educator asked, “Is education about helping provide opportunities for students to realise their full potential...Or is it the purpose of education to produce workers to service the economy?” Some emphasised the economic imperative, framing universities as pipelines to produce AI-skilled workers who can meet industry demands. Others argued for a broader purpose, highlighting that education must also foster values, ethics, and critical thinking and reasoning, rather than being solely focused on employability.

Generative AI is accelerating this debate by disrupting traditional educational practices. Knowledge-transfer models, where instructors deliver information that students then absorb and reproduce, are increasingly undermined by AI systems that can generate lecture summaries, essays, or even exam responses in seconds. This disruption challenges educators to define what learning should look like when information retrieval and analysis can be outsourced to AI.

Participants also warned of behavioural risks stemming from student reliance on AI. Educators described three emerging patterns: students who use AI to cheat, those who turn

to it for efficiency, and those who rely on it out of insecurity, fearing they are “not smart enough” to work independently. It's this last group that has raised the most concern, as relying too heavily on AI can undermine our critical thinking skills and the ability to form independent opinions.

The governance challenge, therefore, resides in delineating the mission of education in the era of AI and establishing standards for its use within the classroom. Education policy must strike a balance between the need to equip students for a rapidly changing labour market and the imperative to preserve integrity, critical thinking, and the formation of values. Without this balance, the very act of adapting to and for AI risks narrowing the purpose of education to short-term workforce needs while undermining education's broader societal role.

Recommendation: Reframe the Mission of Education Across Life Stages, with AI Governance Identifying What Is Uniquely Human in the age of AI

“Is education about helping provide opportunities for students to realise their full potential...Or is it the purpose of education to produce workers to service the economy?”

“...our students, [are they] our customers, or are they our products?”

“...I think this isn't necessarily academia's role with respect to industry. I think it's academia's role with respect to society to ensure that we help our students navigate this strange new brave new world that we're all entering into in a way that they can hopefully not just survive but thrive in a bit.”

“...there is a move to micro-credentials...the problem is, as an educator, I don't think education should all be à la carte. Sometimes you need to eat your vegetables. And so this is a challenge in terms of development of students, that if you just give them the things that they want...and it might get them that first job. But the hope should be that we're training them...to learn how to learn.”

AI is disrupting the traditional missions of education, including knowledge transfer, skill development, and employability. Participants warned that students are already outsourcing opinions and understanding to AI, weakening independent thought. They also pointed to the shift toward micro-credentials, which enables lifelong learning but risks fragmenting education if it neglects deeper human development. What is important, however, is that *educators, not AI governance, must ultimately define the mission of education*. What AI governance can do is surface and safeguard what is uniquely human at each life stage: cultivating critical thinking, ethical judgment, and creativity in foundational education; clarifying human oversight tasks and embedding human reasoning roles in AI-integrated workflows at higher levels; and embedding adaptability into lifelong learning as AI continues its encroachment into what was once traditionally human domains. By anchoring these human capacities, AI governance can strengthen, rather than hollow out, the purpose of education.

Recommendation: AI Governance Can Help Safeguard Independent Thinking in Education by Determining Guardrails That Encourage Human Reasoning

“...my growing concern around students' over-reliance or over-dependence on AI... almost every question, they would just ask AI instead of really spending time trying to understand and learn about a subject matter.”

“...it's very difficult now to create assessments because any kind of assessment that you make, the student can just take a screenshot of the question, put it on an AI platform, and then it would provide not only the correct answer but even the solutions...so what kind of assessment should I design, right? because almost any question, any even project-based or case analysis can be answered by AI.”

AI has entered the classroom as a powerful tool, but without guardrails, it risks displacing the very capacities education is meant to cultivate. Participants warned that students are increasingly turning to AI for answers instead of engaging with the subject matter themselves, weakening independent reasoning and judgment. Educators also struggle to design assessments that AI cannot easily bypass, raising questions about how to preserve meaningful learning outcomes. While AI Governance should not dictate pedagogy, it can help determine and ensure what guardrails should accompany AI's entry into education. These guardrails should be set by educators, guided by AI governance measures. By embedding such safeguards, AI can be utilised to enhance learning without replacing the human capacities that education aims to develop.

Practical measures include defining clear rules on when AI can support learning versus when students must work independently; reforming assessments to evaluate reasoning, process, and critique rather than just producing final outputs; and training educators to use AI constructively (for instance, having students critique AI-generated outputs). By anchoring these guardrails in AI governance, education systems can adopt AI while still protecting the uniquely human reasoning capacities that society depends on.

- **AI Exacerbates Skills Mismatch as Curricula Struggle to Keep Pace with Industry Change**

AI is accelerating industry change at a pace that education systems are struggling to keep up with. Participants noted that skill requirements are shifting so rapidly that traditional programs risk becoming obsolete almost as soon as they are approved. As one university leader explained, “what we might teach this year might not be applicable next year... academia should also offer short-term training programs to keep up”.

Curricular reform is also hampered by structural inertia. University programs are typically reviewed and approved on long cycles, making it challenging to integrate rapidly emerging technologies. One educator described how more recent events had already overtaken a curriculum designed in 2021. The consequence is a widening mismatch between what students are taught and what industry requires. Employers, in turn, emphasised that industry adapts quickly, while academia lags behind. As one participant put it bluntly, “there will always be a mismatch... industry adapts to AI so fast, academia is the one that's slow.”

Industry representatives also weighed in, adding that what they value most are not certifications, but problem-solving skills and adaptability. “We don’t necessarily give weight to certifications...” one participant said, before emphasising the importance of problem-solving skills and people who can analyse and communicate effectively, as well as the fact that individuals with such skills might not originate from a background of traditional formal education.

A structural tension between short-term courses and longer-term formal education further compounds this mismatch. Industry often calls for micro-credentials and targeted programs to meet immediate needs, whereas universities are designed to provide foundational, long-term education. For example, a participant noted that continuing education for mid-career professionals must deliver tangible value, as few are willing to invest years in retraining. Meanwhile, others warned that micro-credentials might only secure the initial job, rather than providing long-term security and employability. “...We should also be giving them skills that are relevant on day one, but also in year 10.”

The governance challenge then is to bridge this widening gap. Education policy must create mechanisms for curricula to be more agile and industry-responsive, without sacrificing the deeper foundations that sustain adaptability over the long term. Without this balance, education risks becoming either irrelevant to industry needs or reduced to chasing short-term skills trends.

Recommendation: Narrow the AI-Driven Skills Gap by Embedding Sector-Based Industry–Academia Feedback Mechanisms into Curricula Design

“...there will always be a mismatch. That’s for sure... the industry... are adapting AI so fast. Sadly, in this sector, we, the academic sector, are the ones that are slow... Now, how are we going to really, at least, shorten that gap? Probably a conversation like this with the industry and the academic is a good thing.”

“...we are guided with regard to the curriculum mapping, the competencies required for different stakeholders, different players in the analytics education. So I believe that in the university as a whole... we really have to provide that structure.”

AI is accelerating industry transformation faster than universities can adapt, widening the gap between what students learn and what employers require. Participants warned that one-off curriculum reforms are too slow to close this mismatch. To mitigate this risk, AI governance should mandate sector-based, continuous feedback mechanisms that enable curricula to evolve in line with real-world AI workflows and clearly define where humans remain indispensable. This can be achieved by embedding industry advisory councils within each program, aligning curricula with national skills frameworks, and designing modular courses that are updated as AI reshapes the workforce. By mandating these feedback loops, governance ensures education prepares graduates for today’s AI-driven economy rather than yesterday’s jobs.

- **Equitable Access to AI Remains Elusive as Adoption Risks Worsen Societal Divides**

As mentioned earlier, the adoption of AI risks amplifying long-standing inequalities within the education system. For example, well-resourced schools in urban centres are more able to experiment with AI tools while rural and peri-urban institutions continue to face fundamental infrastructure challenges, including limited internet connectivity and unreliable electricity, as well as a lack of exposure to established companies and other players who can provide additional AI exposure to students. This uneven starting point means that AI's benefits are distributed asymmetrically, reinforcing rather than reducing existing divides.

Furthermore, AI governance itself can add another layer of risk. As noted earlier in workplace discussions, one-size-fits-all frameworks often fail to reflect diverse realities. In the education sector, national policies that assume a baseline of readiness may unintentionally privilege elite universities that can comply, while leaving underfunded schools further behind.

These gaps manifest in diverging outcomes. Institutions with resources and industry partnerships can integrate AI into teaching and curricula, equipping their students with competitive skills. Meanwhile, students from under-resourced areas often find themselves at a disadvantage, with talented individuals choosing to relocate to metropolitan centres in search of opportunities, further draining local communities of their talent.

The challenge is also complicated by uncertainty: the long-term impacts of AI on learning behaviours and outcomes remain difficult to predict. Participants noted the risk of unintended consequences in the various ways and use cases in which students rely on AI, sometimes for efficiency, sometimes out of insecurity, with impacts that are difficult to anticipate.

The governance challenge, therefore, is not just about expanding access to AI but also about ensuring that adoption does not deepen divides through uneven outcomes, as well as being proactive in addressing the negative consequences of AI adoption. Policymakers must therefore design interventions that anticipate such unintended consequences, account for differing contexts, and embed inclusion into national strategies. Without such foresight, AI governance risks reinforcing the very inequalities it seeks to address.

Recommendation: Proactively Embed Inclusion Strategies into AI Education Governance to Anticipate Inequality Risks and Avoid Unintended Consequences of AI Adoption

“...if we go to the countryside, if we go to, let's say, even the rural areas, the peri-urban areas, there's still that great digital divide wherein some schools or some communities do not even have access to, like, an internet connection, even electricity, in that case. So embedding AI digital transformation in education might work for some institutions, some schools, but in other schools or in other locations, it may not as well.”

“...when we did the AI hackathon for two days... they came up with

really good ideas, but all of them said, we're gonna work in Metro Manila. We're gonna find work there and not stay and help our provinces in our cities because the industries here are not ready for anything like this. They're still paper-based..."

AI adoption risks amplifying long-standing divides in Philippine education. Participants highlighted that schools in rural and peri-urban areas continue to struggle with connectivity and unreliable access to electricity, whereas urban institutions are moving ahead with AI integration. This uneven starting point drives talent toward Metro Manila, draining local communities, and creates the risk that AI adoption will reinforce inequality rather than reduce it.

Governance cannot entirely stop these dynamics, but it can incorporate foresight and inclusion into national strategies. This means tailoring policies to different levels of institutional readiness, investing in infrastructure for underserved regions, and encouraging resource sharing between elite and underfunded schools. It also means supporting educators in setting guardrails that ensure AI strengthens, rather than undermines, human reasoning. By proactively embedding inclusion strategies, governance can anticipate inequality risks, avoid unintended consequences, and ensure AI adoption strengthens the education system instead of fracturing it.

The discussions made clear that governance challenges arise as much from context as from AI itself. In some instances, AI revealed existing gaps: fragmented structures within organisations, uneven readiness among MSMEs, and persistent digital divides across schools. In others, it introduced new dilemmas: unreliable outputs that require human oversight, rapid shifts in industry skills that curricula cannot keep up with, and the need to revisit fundamental issues such as the mission of education.

While participants voiced these concerns and shared their experiences, the analysis also highlights practical pathways forward. Integrating governance into organisational workflows can mitigate adoption risks; clarifying oversight roles ensures accountability remains with human workers; and redesigning jobs inclusively helps maintain career pathways. In the education sector, sector-based feedback loops can keep curricula relevant, guardrails can safeguard independent thinking, and inclusion strategies, along with proactive foresight, can prevent the adoption of practices that reinforce inequality.

Taken together, these recommendations do not aim to resolve every debate raised in the roundtable. Instead, they provide policy-ready responses that draw directly on the shared insights, ensuring AI governance can anticipate risks while strengthening resilience, accountability, and human capacity across the workforce and education system.

5. The Future We Make: Our Responsibility to Shape AI's Trajectory

While participants suggested concrete recommendations for the workforce and education, many unresolved tensions remain. Participants repeatedly emphasised that AI does not merely introduce technical challenges but forces us to revisit the deeper purposes of work, education, and governance itself. These unresolved tensions cannot be addressed solely by immediate policy measures. They need questions to be posed and perspectives to be examined and reflected upon for societal debate, influencing the future path of AI in the Philippines and beyond.

5.1 Six Questions about the Future of AI, *for Now*

1. The Future of AI Governance

From the roundtables, participants acknowledged both the uncertainty and the limitations of governance in such a rapidly evolving field. Principles such as fairness, accountability, and transparency are often invoked, yet rarely adequately defined in practice. Attempts at regulation risk being either too broad or too onerous for those with the least capacity to comply. Furthermore, there is a risk that, given the general-purpose nature of generative AI, specific yet widespread harms may occasionally arise as the ongoing disruption of AI continues to unfold across the economy and society.

Fundamentally, the question is, **can governance ever be truly proactive? And proactive across the shifting layers of abstraction where AI operates?**

Not only stemming both broad and specific harms before they occur, but also steering innovation toward opportunities that might otherwise be missed? For policymakers, regulators, and industry leaders, this is the ultimate test of governance: whether it merely reacts to disruption or *actively tries to shape the trajectory of AI through mechanisms of oversight, participation, or accountability for individual, organisational and public good.*

2. The Future of Work

From the roundtables, participants highlighted both the productivity gains and the deep anxieties sparked by AI adoption, especially the risk that entry and junior specialist roles, once the foundation of careers, could disappear altogether.

If AI increasingly automates the very entry points where career pathways begin, what does this mean for the future of work as a foundation for livelihood and social mobility?

For CEOs and organisational leaders, this is not only a societal question but an immediate choice: whether to frame AI as *a cost-saving substitutory tool for replacing humans*, or to take on the far more monumental challenge of unlocking greater and more sustainable value by *augmenting AI with human capabilities, and of course, vice versa, where workers' contributions in turn advance AI.* Such a dynamic reframes the one-dimensional narrative of inevitability, with AI simplistically substituting human talent.

More broadly, participants even raised the question of whether societies should reconsider full-time employment as the primary objective at all, pointing to debates on universal basic income (UBI) or drastically shorter work weeks if productivity gains accelerate. The unresolved question is not only how AI reshapes jobs, but whether it forces us to rethink the very meaning and purpose of work.

3. The Future of Education

Participants questioned the very purpose of education in the age of AI: is it to supply the economy with workers, or to cultivate values, critical thinking, and lifelong learning?

If AI increasingly takes on the human functions of knowledge transmission, analysis and reasoning, which were, until recently, uniquely human skills, what then should be the purpose of education as a foundation for human capacity?

As one participant asked, “What can *you* do that ChatGPT can’t?” For educators, regulators, and employers alike, this is not only a philosophical debate but a pressing challenge: to reimagine education as the space that *can identify, safeguard and nurture what is uniquely human, and what is uniquely ‘you’, for each individual student*, where every student’s reasoning, judgment, ethics, and creativity are developed to stand alongside and complement the ever-advancing capabilities of AI.

4. The Future of AI Adoption in Organisations

From the roundtables, participants highlighted the fragmented ways AI is currently adopted: with many organisations lacking internal structures, relying heavily on consultants, and leaving MSMEs at risk of falling behind. At the same time, new regulations are being introduced that risk becoming overly burdensome for smaller firms, further widening the adoption gap. Organisations often measure productivity gains for AI narrowly in terms of cost reduction, but AI can also reframe productivity in terms of flattening hierarchies and expanding job scopes, as seen in the Philippine context.

For corporate leaders and policymakers, the deeper challenge is to rethink AI governance not only as an impediment that obstructs, but as *a discipline that sparks innovation*.

Can AI reframe your organisation’s notion of productivity by embedding humanistic considerations into the very process of creating new value?

5. Future Implications for Society

From the roundtables, participants warned that AI risks both deepening old divides and creating new ones, such as between large firms and MSMEs, urban and rural schools, and sectors exposed early versus those shielded for now. Yet others pointed to AI’s potential to democratize capabilities, offering personal tutors, remote opportunities, and broader participation.

If AI is already redrawing the fault lines of society, the question is whether it will entrench those divides, or whether it can be governed in ways that actively bridge them.

For policymakers, industry leaders, and civic leaders, the challenge is not only to mitigate inequality but also to *design AI governance as a field that transforms disruption into inclusion and shared progress.*

6. The Future of Human Capacity

From the roundtables, participants expressed concerns about students' growing dependence on AI, whether it is used to shortcut assignments or as a means to compensate for their own doubts about their ability to reason. The deeper fear is that individuals may lose the confidence, or even the ability, to form independent opinions. If a person cannot think for themselves, what becomes of their employability, their agency, and their sense of self?

At the same time, discussions underscored a sobering reality: AI is not a passing trend, but an enduring force, steadily advancing through every layer of the economy and society. Its primary function often encroaches on what was once considered uniquely human: reasoning, analysis, even, some would argue, creativity and imagination. We cannot wish it away, nor can we ignore it.

Given this, the question becomes deeply individual: **do we treat AI as something that happens to us, or do we strengthen our own capabilities so that we remain the ones shaping our future? Then specifically, what are those capabilities?**

If the mission of education is to nurture us, then at the personal level, *human capacity must be strengthened and safeguarded so that AI follows our course, rather than quietly charting one for us.*

5.2 Maximising AI's Potential Means Bringing Our Best into the Picture

AI's future trajectory, therefore, depends not just on the technology itself, but on how we humans choose to combine our creativity, reasoning, judgment, and values with it. Just as education safeguards critical thinking while integrating new tools, and just as organisations redesign roles to balance efficiency with career pathways, the way technology unfolds and impacts is also contingent on its position within our societal context, at every level, from individuals to organisations, communities and even to entire societies.

As AI changes us as individuals and society as a whole, we too have the opportunity, indeed, the responsibility, to shape AI.

The future of AI governance in the Philippines, and globally, therefore, cannot be determined solely by algorithms alone. Maximising the shared potential will be determined by whether we, as humans, bring the very best of *our* capacity into the frame.

That is both the challenge and the opportunity ahead.

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