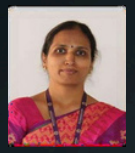
ARTIFICIAL INTELLIGENCE AND ITS SOCIO-ECONOMIC IMPLICATIONS ON EMPLOYMENT IN EMERGING ECONOMIES

CHIEF EDITOR



Dr.P.Vidhya
Associate Professor & Head,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

EDITORIAL COMMITTEE MEMBERS

Dr.D.Renukadevi,
Assistant Professor,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

Dr.P.Manochithra
Assistant Professor,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

Dr.M.Devaki
Assistant Professor,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

Mr.N.Devaram
Assistant Professor,
Department of Corporate Secretaryship,
Sri Ramakrishna College of Arts & Science (Autonomous),
Coimbatore.

STANZALEAF PUBLICATION

stanzaleafpublication@gmail.com

₹699

ISBN 978-81-991002-9-9

www.stanzaleafpublication.in

ARTIFICIAL INTELLIGENCE AND ITS SOCIO-ECONOMIC IMPLICATIONS ON EMPLOYMENT IN EMERGING ECONOMIES

ARTIFICIAL INTELLIGENCE AND ITS SOCIO-ECONOMIC IMPLICATIONS ON EMPLOYMENT IN EMERGING ECONOMIES

CHIEF EDITOR

Dr. P. Vidhya

PUBLISHED BY

STANZALEAF PUBLICATION

TITLE OF THE BOOK*:* *"Artificial Intelligence and Its Socio-Economic Implications on Employment in Emerging Economics"*

Editor(s):

Dr. P. Vidhya
Dr. D. Renukadevi
Dr. P. Manochithra
Dr. M. Devaki
Mr. N. Devaram

PUBLISHED BY: STANZALEAF PUBLICATION

PUBLISHED ON: 08/09/2025

PAGES: 1016

PRICE: 699 INR

ISBN: 978-81-991002-9-9

Registered Address

3, Karichankadu, Attanur, Thengalpalayam post, Rasipuram TK,
Namakkal DT, 636 301, Tamil Nadu, India.
Email: stanzaleafpublication@gmail.com
Website: www.stanzaleafpublication.in

Stanzaleaf Printers, Namakkal, Tamil Nadu, India.

ISBN: 978-81-991002-9-9

86. AI AND ENTREPRENEURSHIP IN EMERGING MARKETS

Dr.T.Mohana Sundari

Assistant Professor

Department of B.Com (CA)

Nallamuthu Gounder Mahalingam College, Pollachi.

mohanasundari688@gmail.com

Abstract

The perspective of global value chain, this paper explores the correlation between AI and emerging market trade, and analyzes how AI technology affects the trade structure of emerging market countries and their changing position in global value chain. Based on regression analysis and panel data analysis methods, the study comprehensively assesses the specific impact of AI on emerging market trade in terms of production efficiency, product quality, and market entry strategies. In recent years, the rapid development and widespread application of AI technology has become a global concern, and emerging technologies such as artificial intelligence (AI) have become increasingly important as their contribution to solving many of the world's development challenges grows. Emerging technologies such as AI have long been increasingly recognized as important factors in the process of economic growth and development in emerging markets. This paper proposes that emerging market countries should further strengthen the R&D and application of AI technology, optimize their industrial structure, and actively participate in the innovation cooperation of GVCs. The findings provide an important reference for policymakers to promote emerging market countries to achieve higher quality development in global trade.

Keywords: Artificial intelligence, emerging markets, international trade, global value chains, trade structure optimization.

I. INTRODUCTION

AI empowers entrepreneurs in emerging markets by providing tools for data-driven decision-making, process optimization, personalized customer experiences, and supply chain management. AI helps democratize sophisticated financial planning and resource management for smaller firms, fostering sustainable growth by increasing efficiency and fostering innovation. However, challenges remain, including potential resource constraints for small businesses, a need for new AI-focused theoretical frameworks, and the importance of developing adequate AI literacy and ethical guidelines to ensure equitable benefits and avoid exacerbating existing inequalities. The evolution of AI startups is characterized by a continuous interplay between technological innovation and market forces. Startups in the AI space have had to adapt to rapidly changing technologies, shifting market demands, and evolving investment landscapes. This adaptation has often involved pivoting from narrow, specialized

ISBN: 978-81-991002-9-9

applications of AI to more integrated and platform-based approaches. The role of data has been central in this evolution, with startups leveraging big data and advanced analytics to drive innovation and create value. Moreover, the evolution of AI startups is not just a story of technological advancement but also of strategic positioning and market adaptation. As AI technologies have matured, startups have had to navigate a complex ecosystem of investors, regulators, and competitors. This has required a blend of technical expertise, strategic acumen, and market insight. The evolution of AI startups from their inception to the present day is a multifaceted journey marked by technological breakthroughs, market shifts, and strategic reorientations. As AI continues to evolve, startups in this space will need to remain agile, innovative, and strategically focused to succeed in an increasingly competitive and dynamic market. The market dynamics for AI startups are characterized by rapid technological advancements, evolving customer expectations, and increasing competition. AI ventures must be agile and adaptable, continuously innovating to stay ahead of the curve. This requires a deep understanding of market trends, customer needs, and competitive landscapes. Strategic planning and investment are key to navigating these dynamics successfully, ensuring that startups not only develop cutting-edge technologies but also create viable business models that can sustain growth and profitability. Investment realities for AI startups are equally complex. Funding is a critical aspect, with startups needing to secure adequate capital to support their research and development efforts, scale their operations, and expand their market reach. However, securing funding is often challenging, with investors seeking startups that demonstrate a clear path to profitability and a strong market presence. AI ventures must therefore be strategic in their fundraising efforts, presenting compelling value propositions and demonstrating their potential for long-term success.

II. REVIEW OF LITERATURE

Bhattacharyya (2023) explores the monetization strategies of AI startups, particularly focusing on the use of machine learning and AI-based persuasive technologies. These technologies are increasingly being deployed by e-commerce platforms and mobile commerce applications to enhance customer engagement and drive sales. The study emphasizes the importance of strategic investment in these technologies, highlighting the need for a balanced approach between technological innovation and market-driven tactics. This approach is critical for AI startups, as it allows them to optimize their investment in technology while maximizing their market impact (Bhattacharyya, 2023). Gigante and Zago (2022) delve into the application of DARQ technologies (distributed ledger, artificial intelligence, extended reality, quantum computing) in the financial sector, with a focus on AI in personalized banking. Their research underscores the transformative potential of AI in the financial industry, particularly in enhancing customer experiences and offering personalized services. For AI startups, this represents a significant opportunity to innovate and disrupt traditional banking models. However, it also poses challenges in terms of aligning their products with market needs and navigating the complex regulatory landscape of the financial sector (Gigante & Zago, 2022).

ISBN: 978-81-991002-9-9

Karmakar (2022) discusses the broader implications of AI in medicine and the potential risks to public health. The author emphasizes the importance of considering the ethical and societal impacts of AI technologies and the need for innovative solutions that are safe, ethical, and beneficial for society. The paper concludes that AI has the potential to revolutionize medicine, but negative consequences must be considered and addressed.

OBJECTIVES

I. To investigate the current trends and evolutionary trajectory of AI startups from inception to their present state, highlighting key factors that have influenced their growth and development.

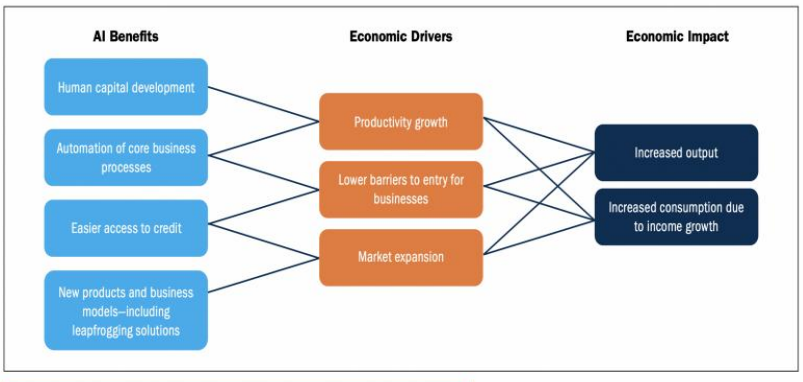
II. To examine the market dynamics and investment realities specific to AI ventures, including the challenges and opportunities they encounter in securing funding and achieving market penetration.

III. To explore the role of strategic planning in AI entrepreneurship, particularly how it influences decision-making, innovation, and competitive positioning in the market.

IV. To identify gaps in the existing literature on AI entrepreneurship and suggest areas for future research, thereby contributing to the body of knowledge in this field.

III. INNOVATIVE BUSINESS MODELS FOR AI STARTUPS

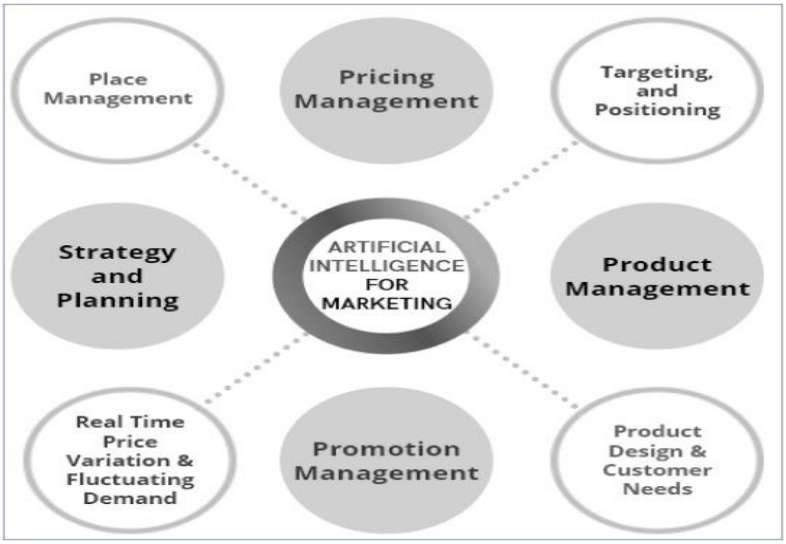
The landscape of AI startups is characterized by a dynamic and innovative approach to business models. This section explores how AI startups are crafting unique business models, leveraging the capabilities of AI to create new value propositions and redefine market dynamics. Delve into the transformative impact of AI on business models in the digital entrepreneurship space. Their research emphasizes the strategic roles of AI applications, highlighting how AI can revolutionize traditional business models and foster new market opportunities.



This study is instrumental in understanding how AI startups can utilize AI not just as a tool, but as a core component of their business strategy, enabling them to innovate and stand out in a competitive market. Provide a comprehensive analysis of AI startup business models, distinguishing them from

ISBN: 978-81-991002-9-9

conventional IT-related models. They identify four primary patterns: AI-charged Product/Service Provider, AI Development Facilitator, Data Analytics Provider, and Deep Tech Researcher. Each model demonstrates unique ways in which AI startups are harnessing AI capabilities to offer new value propositions, utilize data for value creation, and impact overall business logic. This taxonomy is crucial for AI startups seeking to understand and adopt business models that effectively leverage AI technologies. focus on AI-driven healthcare startups, offering insights into emerging business model archetypes in this sector. Their analysis reveals how AI is being used to innovate in areas such as disease prevention, diagnosis, and treatment. The study underscores the potential of AI in transforming healthcare services, providing a blueprint for AI startups in the health sector to develop business models that address specific healthcare challenges and opportunities.



V. AI & ECONOMIC GROWTH

AGRICULTURE

- Precision farming: AI-based predictive models help smallholder farmers monitor soil health, optimize planting and irrigation schedules, and use resources more efficiently.
- Market access: AI-driven platforms can analyze market trends and consumer demand to help farmers access broader markets, optimize pricing, and improve supply chain logistics.

FINANCIAL SERVICES

- Financial inclusion: For large unbanked populations, fetch startups use AI to analyze alternative credit data (like mobile transactions), enabling them to extend lending services where traditional credit histories are absent.
- Risk and fraud detection: AI-powered algorithms analyze transactional data in real-time to detect anomalies and prevent fraudulent activity, improving the security of digital financial services.

ISBN: 978-81-991002-9-9

HEALTHCARE

- Enhanced diagnostics: With a shortage of medical professionals in many areas, AI-powered diagnostic tools are crucial. They analyze medical imaging and patient records to detect diseases like tuberculosis or diabetic retinopathy, improving early detection rates.
- Telemedicine: AI-driven platforms facilitate remote consultations, making healthcare more accessible in rural or underserved areas.
- Mental health support: Culturally sensitive AI tools, such as chat bots and virtual assistants, can provide mental health support, bridging modern healthcare with traditional healing practices.

E-COMMERCE AND RETAIL

- Personalized marketing: AI tools analyze customer data to deliver highly personalized marketing content and recommendations, helping businesses increase sales and customer loyalty.
- Customer support: AI-powered chat bots and virtual assistants provide 24/7 customer service, handling routine queries and freeing human staff to focus on more complex tasks.

IV. CONCLUSION

This study embarked on a comprehensive exploration of the entrepreneurial strategies for AI startups, navigating through the intricate landscape of market dynamics and investment challenges. The aim was to dissect the opportunities and challenges within the AI startup ecosystem, scrutinizing the intersection of entrepreneurship and artificial intelligence, and delving into strategic planning, market dynamics, and case studies of both success and caution. The objectives set forth at the outset have been met through a meticulous examination of the AI startup landscape. We identified the evolution of AI startups, from their inception to current trends, revealing a trajectory marked by rapid technological advancements and evolving market needs. The study highlighted the critical role of strategic planning in AI entrepreneurship, emphasizing the need for AI startups to adopt flexible and forward-thinking strategies to navigate the complex and often unpredictable market dynamics.

REFERENCE

[1] Gherhes, C., Vorley, T., Vallance, P., & Brooks, C. The role of system-building agency in regional path creation: Insights from the emergence of artificial intelligence in Montreal. Regional Studies, 56(4), 563-578.

[2] Han, Z., & Gao, X. Transnational Operation, Market Environment, and Firm Innovation Efficiency. Science Research Management, 44(9), 55-63.

[3] Zhang, L., Wang, L., & Penin, J. "Internationalization Motives, Models, and Theoretical Frameworks of Multinational Companies from Emerging Markets: A Literature Review." East China Economic Management, 32(7), 45-55.

[4] International Finance Corporation. Artificial Intelligence in Emerging Markets: Opportunities, Trends, and Emerging Business Models. International Finance Corporation, Washington, DC.

[5] Tauser, M. "Global Value Chains and Trade Patterns: A New Perspective." International Trade Journal, 21(3), 327-345.