

## Graduate Employment Crisis: When a Degree is Longer Enough in the AI Era

### Key Takeaways:

- Global youth unemployment rose to 12.4% in 2025, leaving around 67 million people aged 15–24 unemployed. More than 257 million young people worldwide were not in employment, education, or training (NEET).
- AI is changing entry-level work, particularly routine tasks traditionally performed by junior employees, making practical, technological, and AI-related skills more important.
- Thailand had around 401,000 unemployed people in Q2 2026. Around 192,000 had never worked before, of whom 85.9% were aged 15–24. University graduates had the highest unemployment rate by education level.
- Thailand also faces a labor-market mismatch. More than 300,000 vacancies were available in July 2026, while more than 25,000 university graduates were still looking for work.
- A university degree remains valuable, but should be combined with practical experience, AI capabilities, and human skills such as critical thinking, communication, and adaptability.

### The First Job Is Becoming Harder to Find

For generations, university education has been seen as one of the clearest routes into a stable career – namely graduate, find an entry-level job, gain experience, and gradually move up the career ladder.

That path is becoming narrower.

According to the International Labour Organization (ILO), global youth unemployment rose to 12.4% in 2025, leaving around 67 million people aged 15–24 unemployed. More than 257 million young people worldwide were also not in employment, education, or training (NEET).

The problem is not simply a shortage of jobs but that the jobs that once provided a first step into the labor market are changing. Clerical, administrative, sales, and other middle-skilled occupations have traditionally allowed young workers to gain experience before moving into more senior roles. As some of these opportunities decline or evolve, graduates with little experience face a more difficult first step.

### AI Is Changing the Entry-level Job Market

AI is accelerating this change.

It may not replace entire occupations, but it can already perform or support routine tasks involving documentation, information processing, basic analysis, coding, and content creation - precisely the tasks traditionally assigned to junior employees.

The ILO estimates that around 6.1% of jobs held by people aged 15–29 are in occupations highly exposed to AI-related change. This does not mean those jobs will disappear, it means the work itself, and the skills needed to perform it, are likely to change.

This creates a particular challenge for young workers. If AI performs more of the basic tasks that once helped new employees learn on the job, the traditional route for building experience may become narrower.

At the same time, new opportunities are emerging in science, engineering, healthcare, technology, and other high-skilled sectors. AI is therefore not simply destroying jobs. It is changing where jobs are created and what employers expect from the people filling them.

### **The Challenge for Thailand**

Thailand's unemployment rate rose to 1.0% in Q2 2026, representing around 401,000 unemployed people. Around 192,000 had never worked before, and 85.9% of them were aged 15–24.

University graduates recorded the highest unemployment rate at 1.6%, compared with 1.0% for upper-secondary graduates and 0.9% for lower-secondary graduates. Despite this Thailand still has plenty of jobs. In July 2026, more than 300,000 vacancies were available through the “Thai Mee Ngan Tham” platform. At the same time, more than 25,000 university graduates were still looking for work. So, jobs are available, but graduates may not have the skills or experience employers need. Location, wages, working conditions, and expectations on both sides can also make matching workers with jobs more difficult.

### **Employers are Looking for Different Skills**

Changes in online job advertisements offer an early glimpse of how quickly employer demand is shifting. TDRI found that total job postings declined by 9.6%, from 642,216 during Q2–Q4 2024 to 580,505 during the same period of 2025.

Graphic designer vacancies fell by 13.0%, while software engineer vacancies declined by 5.3%. Yet software engineering positions requiring AI skills surged by 94.6%. In other words, demand for software engineers did not simply disappear. Employers increasingly wanted software engineers who could work with AI. Accountant vacancies, meanwhile, increased by around 7%. One possible reason is that accounting still requires professional accountability, verification, regulatory knowledge, and human judgment even as technology automates parts of the work.

The divide may therefore become less about “humans versus AI” and more about workers who can use AI effectively and those whose skills have not kept pace with technological change.

### **A Degree is Becoming the Starting Point, Not the Finish Line**

None of this means that a university degree has lost its value.

Higher education remains essential for many professions and provides knowledge, analytical skills, networks, and formal qualifications. But employers increasingly look beyond academic credentials to ask what graduates can actually do.

Internships, project experience, technological capabilities, and familiarity with AI tools can help bridge the gap between university and work. At the same time, distinctly human skills such as critical thinking, communication, creativity, judgment, and adaptability may become more valuable as machines take on more routine tasks.

Thailand is already expanding upskilling and reskilling efforts, including cooperation between the Ministry of Labour and 35 leading private-sector companies. Universities can also help by bringing

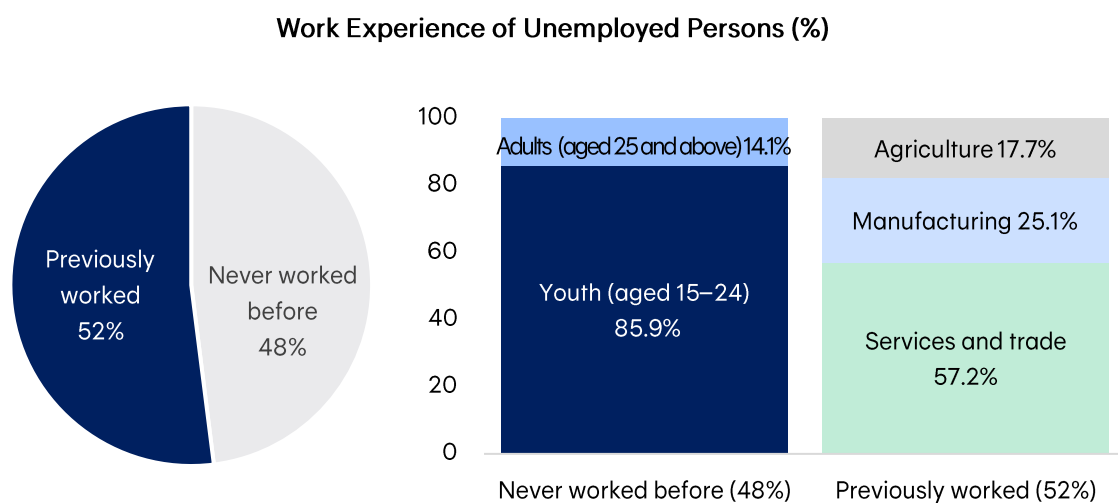
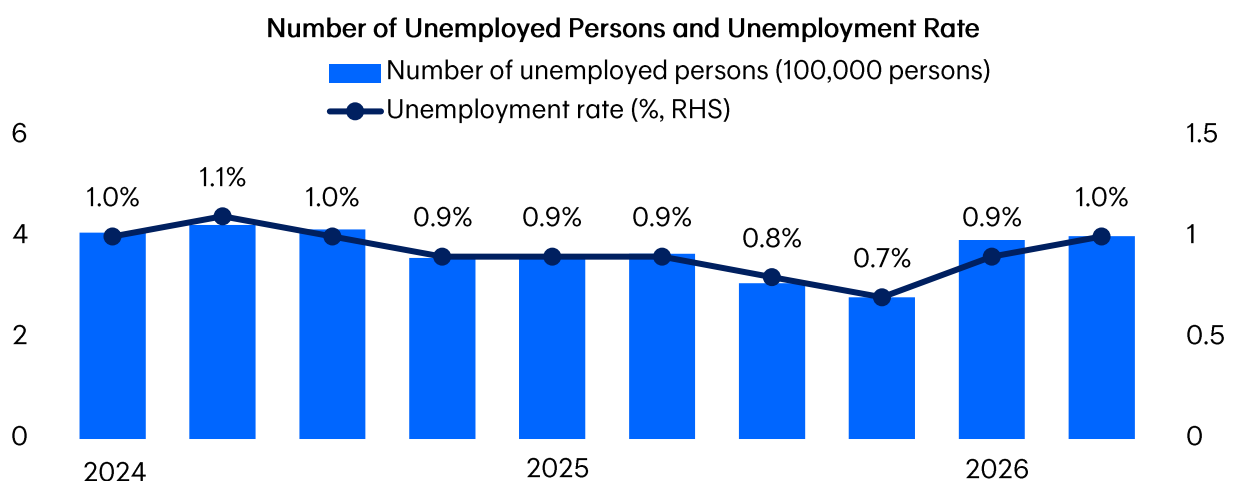
curricula closer to labor-market needs and giving students more opportunities to gain practical experience before graduation.

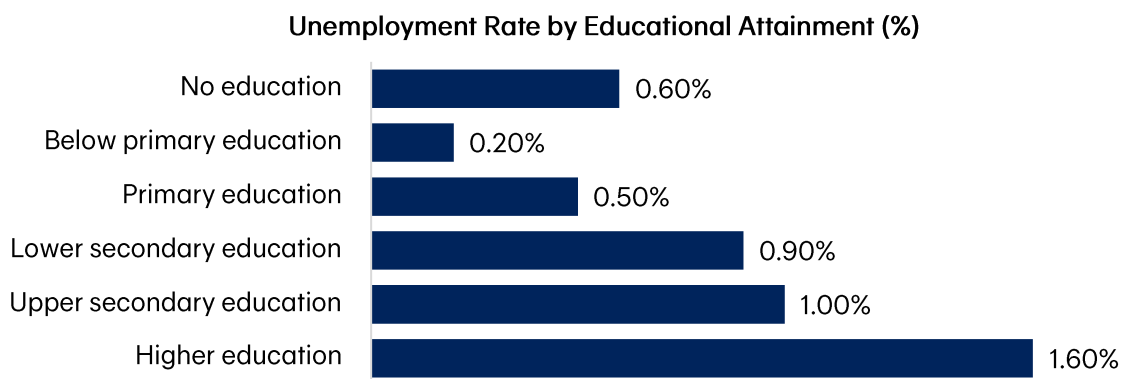
### The World of Work Is Changing Faster than Education

The deeper challenge is not simply youth unemployment but the increasingly difficult transition from education into work. For young people, the old formula of earning a degree and then learning everything else on the job is becoming less reliable. Technology is changing too quickly, and employers increasingly expect graduates to arrive with skills that can be applied from day one.

The value of a degree is not disappearing. What is changing is what employers expect graduates to bring with it – it is not just what you know but what you can do.

For Thailand, the challenge is not simply to produce more graduates or create more vacancies. It is to build stronger bridges between education, skills, and employment so that young people can make that first step into the labor market.





Source: National Statistical Office.

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