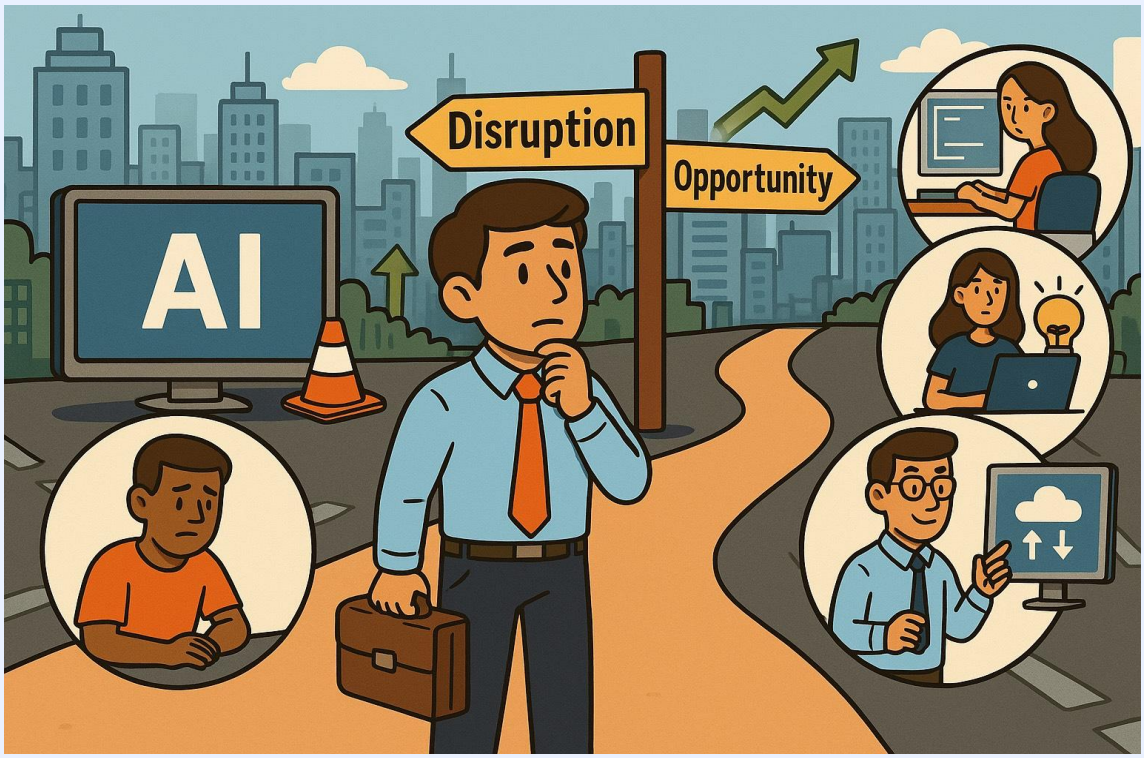
AI and the Future of Work: Disruption or Opportunity for Thailand's Labor Market?



AI may power the future of work. But it's people—and policy—that will shape it.

For over a century, technology has disrupted how we work—from steam engines to assembly lines, and now to intelligent algorithms. But as AI moves from labs into offices and shop floors, the old question becomes urgent for Thailand: will technology create more jobs than it destroys—or leave many behind?

A Familiar Disruption, But Faster and Deeper

The concern over machines replacing humans isn't new. But AI marks a shift in scale and scope. Unlike earlier technologies that replaced manual labor, AI targets cognitive tasks—affecting white-collar roles once considered safe.

Goldman Sachs estimates AI could automate tasks equivalent to 300 million jobs globally. In Thailand, 15% of jobs are at high risk—especially in admin support, retail, and customer service. Still, the picture isn't all bleak. PwC projects that by 2037, 7.2 million jobs could be created globally through AI, even as 7 million are displaced.

Routine Work in the Firing Line

The ALM Hypothesis by economists Autor, Levy, and Murnane categorizes work by two axes: routine vs. non-routine, and manual vs. cognitive. AI excels at routine, rule-based tasks—regardless of whether they are physical or mental.

That puts millions of Thai jobs at risk. Roles like call center agents in Chiang Mai, cashiers in provincial malls, and junior accountants across Bangkok's SMEs are highly exposed. Without reskilling, disruption won't be theoretical—it'll be personal.

By contrast, jobs requiring emotional intelligence, judgment, and adaptability—such as healthcare, education, and design—

remain resilient. The World Economic Forum's 2024 study ranks healthcare and education among the least vulnerable sectors.

Hybrid Workforces, Not Human Redundancy

AI is not just a substitute—it's a partner. According to PwC's Global AI Jobs Barometer 2024, sectors adopting AI have seen labor productivity grow 4.8 times faster than those that haven't. Job postings for AI-related roles are growing 3.5 times faster than the market average.

This signals not a jobless future, but a reconfigured one. Human-machine collaboration is giving rise to hybrid roles—from logistics coordinators using AI to track real-time supply chains, to hotel concierges augmented by AI but guided by human warmth.

In Thailand, early adopters are emerging. AI is helping doctors in public hospitals speed up scan diagnostics. Hotels in Phuket are trialing AI-powered booking assistants. Demand for UX designers, machine learning engineers, and data analysts is climbing.

Not a Shortage of Jobs but of Job-Ready People

The core challenge isn't job availability—but skill readiness.

PwC Thailand's CEO Survey (2024) found that 61% of executives expect AI to transform their businesses within three years, yet only 36% have begun integrating it. A key reason: 58% cite a lack of workforce skills.

An AWS survey across Asia-Pacific found that 90% of workers believe AI skills improve job prospects. Employers agree—41% are willing to pay more for AI-proficient talent.

But Thailand's structural gaps are hard to ignore. Just 41 data centers nationwide, compared to 205 in France. Ranked 35th globally in digital readiness. Many Thai workers still lack data literacy and basic digital skills.

Business leaders may be ready—but the workforce isn't.

A Global Shift, Unevenly Felt

The IMF's 2024 report, "Gen-AI and the Future of Work," highlights a global divide: while 40% of jobs worldwide are exposed to AI disruption, the risks and opportunities vary sharply by development level.

Advanced economies: 60% of jobs exposed. Half may see productivity gains, the rest face wage suppression or elimination.

Emerging markets (like Thailand): Around 40% at risk.

Low-income countries: Only 26%, with limited upside.

Thailand stands between these poles—better positioned than low-income nations, but not fully prepared to compete with advanced economies. The risk is stagnation: not enough disruption to spark reform, and not enough readiness to benefit.

Without intervention, inequality may deepen. Skilled workers will adapt and benefit. But lower-skilled workers—especially older, informal, or rural—could be left behind.

The Roots of the Skills Gap

Thailand's workforce is heavily concentrated in mid-skilled, routine jobs—those most vulnerable to AI under the Skill-Biased Technological Change (SBTC) theory. Meanwhile, high-demand sectors like cloud computing, data science, and cybersecurity face severe talent shortages.

Demographics add urgency. Thailand is on track to become a super-aged society by 2036. AI may not just enhance productivity—it may be essential to fill labor gaps caused by population decline.

Global Lessons, Local Mandates

Thailand need not start from scratch. Countries like Singapore and Japan offer clear roadmaps. Their success is built on four pillars: aggressive public-private coordination, strong education systems, lifelong learning frameworks, and policy coherence.

To thrive, Thailand must do the same—with urgency:

- **Education**: Embed AI literacy early in school curriculums.
- **SMEs**: Incentivize AI adoption through tax credits and support programs.
- **Workforce**: Provide accessible, modular reskilling—especially for mid-career workers.
- **Policy**: Integrate labor, tech, and industrial policy to ensure inclusive transformation.

AI policy is not a side project. It must be national strategy.

The Future of Work Is What We Make of It

AI isn't destiny—it's a choice.

It can deepen divides or drive shared prosperity. The outcome depends on how Thailand invests in infrastructure, talent, and policy. If done right, AI could become a powerful force for inclusive growth. If ignored, it may leave the country stuck in a middle ground—too advanced to benefit from low-tech labor, but not ready for high-skill competition.

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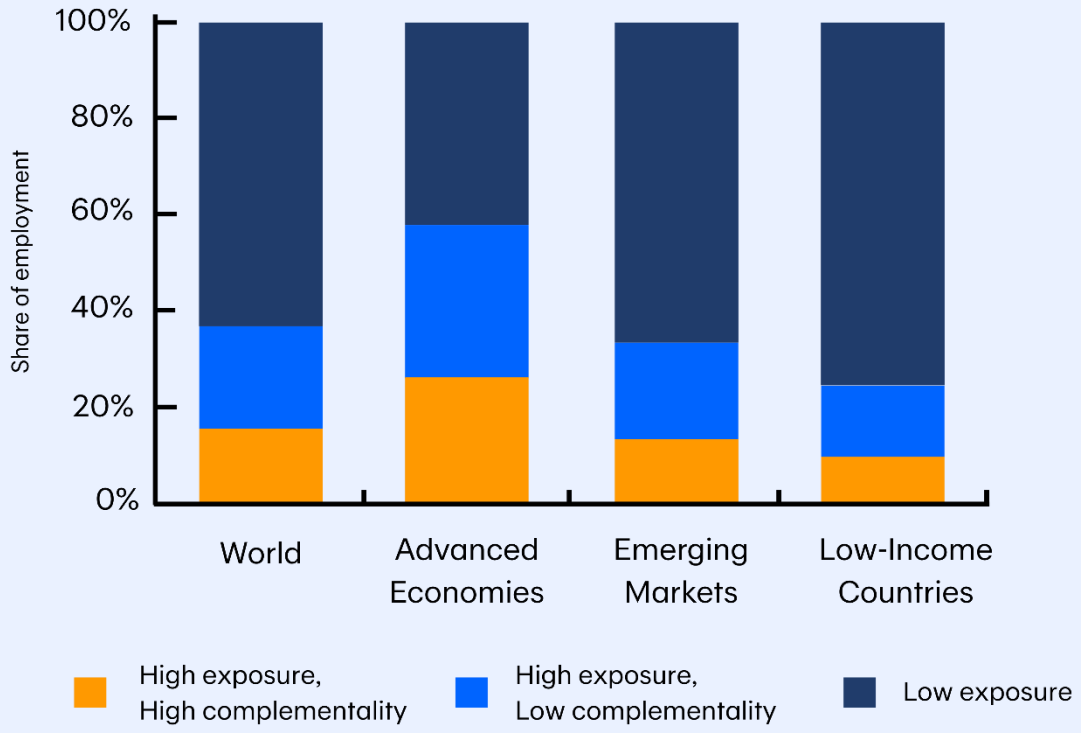
Chart1: Employment Share by AI Exposure and Complementarity: Country Groups



Source: International Monetary Fund (IMF).

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