

# How will artificial intelligence transform THE LABOUR MARKET?



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Artificial Intelligence (AI) is expected to pose the biggest disruption to global labour markets since the industrial revolution in the 19th century. The speed and scope of this unprecedented disruption will not be felt equally across industries, and nations. Bangladesh, a developing economy, will likely undergo a unique labour market transformation. Bangladesh's job market remains largely informal, routine-task dominated, and credential-biased—rendering workers particularly susceptible to AI-powered automation. This poses a seemingly insurmountable risk for the two million Bangladeshis entering the labour market annually, including more than six lakh university graduates. Contemporary AI and robotic technologies are unable to undertake dexterous work rendering tenuous respite to vocational and technical jobs.

The skills mismatch between Bangladesh's education system and labour market is widely highlighted in the nation's public discourse. The rote-based education system prepares students for general repetitive tasks (Figure 1)—i.e., garments production line or customer service. AI and robotics can easily replace, and perhaps supersede, humans in these tasks. Bangladesh's labour force is largely unprepared for complex and creative tasks in emerging professions at home and abroad. This has culminated in grade- and credential-inflated Bangladeshi 'white-collar'



workers who remain inadequately prepared for many in-demand skills such as creative and professional content creation, design, data analysis, computer programming, AI prompt writing, *inter alia*.

Bangladesh's labour is overwhelmingly informal (Figure 2)—with impromptu, uncompetitive hiring/firing and no employer involvement in workers' skill development. Employees

employers place their trust on blind loyalty instead of upskilling and reskilling. This creates a perplexing scenario where entry-level jobs erode due to automation and postponed hiring while firing remains minimal.

This phenomenon, however, is prevalent not only in Bangladesh but also across much of the developed world. The 'informality' of Bangladeshi jobs makes workers more vulnerable, as employers may replace them for intermittent AI service subscriptions. Moreover, inequality is expected to worsen since entry- and mid-level roles, especially informal ones, are 'hollowed out' by AI.

The solution to this doomsday scenario is a structural transformation of how we educate our workers. Instead of banning AI from classrooms, students need to learn to use AI to their advantage. AI can help our students improve and develop their creativity, data analysis, and programming skills. In class, I often present the following perhaps overly optimistic and simplistic outlook for an AI-powered future:

Imagine a 2050 Facebook entrepreneur selling designer clothes—popularly known as 'api's' or 'sisters.' During a live stream, she takes an order, designs a unique dress, and manufactures it in real time using AI prompt-writing and 3D printing, and delivers it within hours via AI-powered autonomous drones.

Such a scenario may not be far-fetched, as similar job roles and AI functionalities exist under current technologies. The key is to train these 'api's' and create an enabling environment for AI to complement her creativity.

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- No record of payment
- Fake note risk



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- Safe digital payment
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