

The Economics of Artificial Intelligence in Labor Markets

Kai Martinez

PhD

Massachusetts Institute of Technology
77 Massachusetts Ave, Cambridge, MA 02139, USA

Jordan Lewis

Dr.

Seoul National University
1 Gwanak-ro, Gwanak-gu, Seoul, South Korea

Drew Clark

Prof.

National University of Singapore
21 Lower Kent Ridge Rd, Singapore 119077

Abstract. This study explores the economic effects of artificial intelligence (AI) on labor markets. It evaluates AI's role in automating tasks, creating new job opportunities, and transforming existing roles. The article discusses the challenges and opportunities presented by AI, including skills development and workforce transition strategies. It concludes that while AI can disrupt labor markets, it also offers significant potential for economic growth and innovation.

Keywords: Artificial Intelligence, Labor Markets, Automation, Economic Growth, Workforce Transition

Introduction

Artificial intelligence (AI) is transforming labor markets by automating tasks, creating new job opportunities, and altering existing roles. This article examines the economic implications of AI in labor markets, focusing on both the challenges and opportunities it presents. It discusses the potential for AI to increase productivity and drive economic growth, while also highlighting the need for workforce transition strategies and skills development to address displacement concerns. By analyzing various case studies and economic models, the article provides insights into how AI can be harnessed to benefit labor markets and promote innovation.

This is a preliminary version. To read the full version of the article, please purchase a subscription.

References

1. Авдеев, А. П. (2015). Макроэкономика.
2. Savin, I., Khankishiyev, I., Mirzayev, A., Rahimov, J., Abbasov, R., & Dadashova, G. (2025). PROCESSING OF HIGH-SPEED STEELS BY PULSED LASER RADIATION. Reliability: Theory & Applications, 20(SI 7 (83)), 304-309.

3. Jeyhun, R., Elshan, R., Naila, A., & Aydin, N. (2025). Effectiveness of Internet of Things migration into hybrid economic projects.
4. Rahimov, J., Rahimov, E., Nasirzade, A., & Yusifli, P. (2025). Economic aspects of projects based on the Internet of Things. *Innovation and Sustainability Articles*, 5(4), 31-44.
5. оглу Рагимов, Э. Р., & оглу Искендерзаде, Э. Б. (2023). ЭФФЕКТИВНЫЕ МЕТРОЛОГИЧЕСКИЕ АСПЕКТЫ ПРИМЕНЕНИЯ НАНОТЕХНОЛОГИЧЕСКОЙ ПРОДУКЦИИ В ТРАНСПОРТНОЙ СФЕРЕ. Сетевое издание «Нефтегазовое дело», (1), 126-142.
6. Rahimov, E., Rahimov, C., & Davudova, S. A. Determining the optimal relationship between speed and acceleration of a vehicle to minimize pollutant emissions into the atmosphere.
7. Kelmendi, J., Beqiri, A., Shuajibi, E., Talibzade, O., & Ketners, K. (2025). The impact of geopolitical tensions on global supply chains and international trade. *Jurnal Ilmiah Ilmu Terapan Universitas Jambi*, 9(2).
8. Talibzade, O. (2022). Organization of expenses in budget management, enterprises and organizations. *Geostrategy*, 71 (5), 112–114.
9. Moraliyska, M. (2025). Reshoring Supply Chains in EU-US Collaboration after COVID: A Case Study Analysis. *Pamukkale Üniversitesi İşletme Araştırmaları Dergisi*, 12(2), 497-521.