

A night cityscape featuring a prominent bridge with three illuminated towers, likely the Poyang Lake Bridge in Nanchang, China. The city lights are visible in the background. Overlaid on the image are numerous vertical and horizontal lines in shades of blue and purple, resembling digital data or network connections.

DIALOGUE SNAPSHOT

AI and Youth Employment

Navigating Transitions Across
Education, Policy, and the
Workplace

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the Hollings Center
for international dialogue

AI and Youth Employment

Navigating Transitions Across Education, Policy, and the Workplace

Executive Summary

Across two dialogue sessions, participants from the United States, Türkiye, Tunisia, and the UAE examined how artificial intelligence is affecting youth employment, with particular attention to changes in entry-level work, skills formation, institutional adaptation, and policy design. The discussion moved away from broad claims about whether AI will simply eliminate jobs and focused instead on how AI is altering the structure of early career pathways, the relationship between education and work, and the conditions under which young people gain access to meaningful employment.

Participants repeatedly emphasized that AI is more likely to augment rather than fully replace many occupations, but that this does not reduce the seriousness of the disruption. A central concern was that AI is transforming or automating many of the routine tasks that historically served as the first stage of professional development. These tasks often allowed young workers to acquire judgment, contextual understanding, confidence, and workplace habits. As those tasks change or disappear, participants raised the concern that young workers may increasingly be expected to demonstrate higher-order capabilities without having had the opportunity to develop them through experience.

The discussion also highlighted that these changes are unfolding unevenly across sectors and national contexts. In more advanced economies, participants pointed to concerns about labor market polarization, hiring practices, and the changing relationship between productivity and inclusion. In emerging and developing contexts, participants emphasized a different but related risk: exclusion from formal labor market pathways if AI adoption accelerates without corresponding investments in digital literacy, infrastructure, institutional coordination, and access.

Participants noted several consistent findings throughout the meeting:

- The most immediate issue is not necessarily overall job destruction, but the restructuring of entry-level work.
- Education systems, employers, and policymakers are adapting at different speeds, producing institutional misalignment.

- Digital literacy and access remain foundational constraints in many settings and that assumptions about “digital native” youth are often inaccurate.
- AI outcomes are not technologically predetermined and will depend on institutional and political choices.
- A growing need exists to redesign learning, assessment, and work transition systems around judgment, problem framing, ethical reasoning, and the practical ability to work alongside AI.

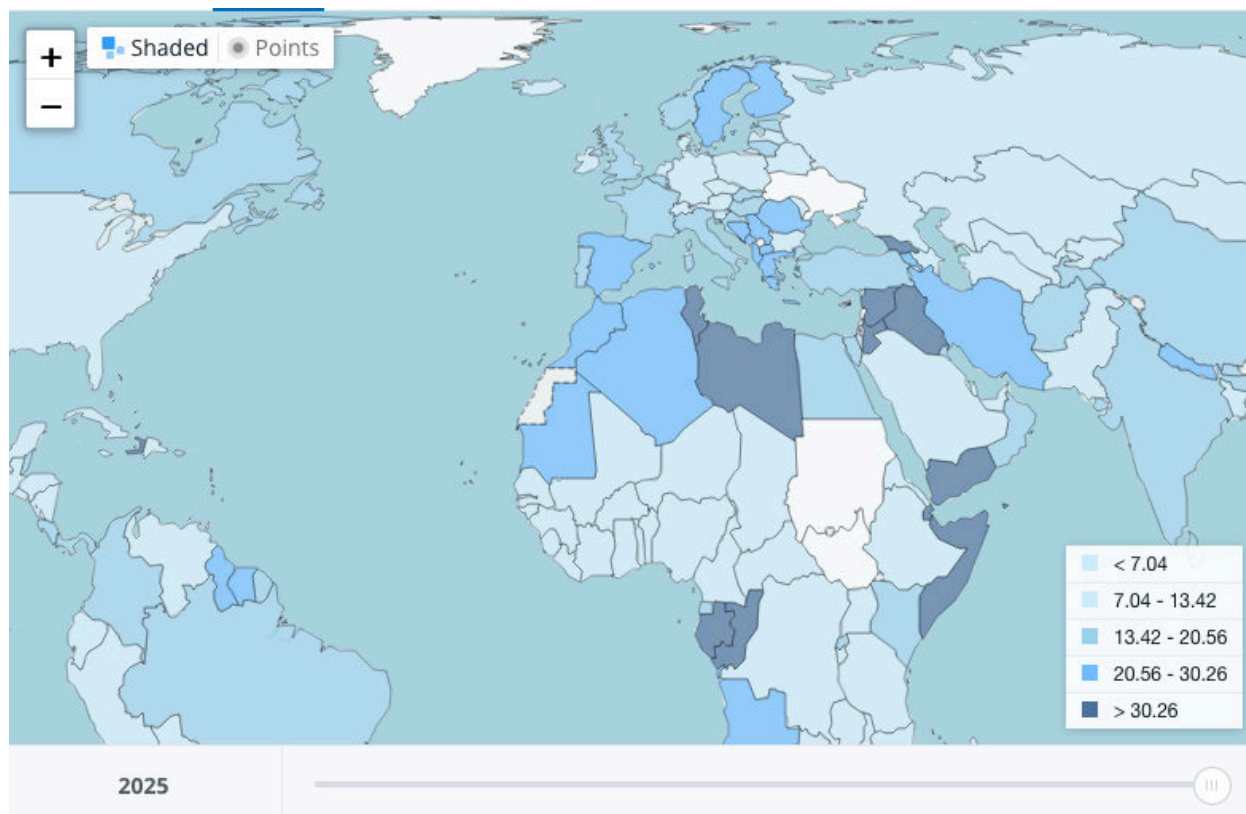
Taken together, the discussions suggest that the central challenge is not simply how to teach young people to use AI, but how to redesign pathways into work at a moment when traditional pathways are being altered.

Changing Entry Points into Work

A central theme of the dialogue was the changing character of entry-level work. Participants emphasized that routine cognitive tasks have historically served as an important part of early career development, and concerns were repeatedly raised that the learning function embedded in the tasks of early roles is being weakened. These tasks—such as drafting, summarizing, basic analysis, customer support, administrative processing, translation, and reporting—often gave young workers the opportunity to learn professional norms, build judgment, understand context, and move gradually from novice roles into more advanced responsibility.

One participant framed this directly by asking what happens when “the first rung of the career ladder” is removed. Another participant described AI as eliminating the “invisible curriculum” of work—the informal but essential process through which young people learn how work is done. Participants noted that when tasks are automated at the entry level, organizations may retain smaller teams while expecting remaining workers to supervise AI systems, interpret outputs, or exercise judgment earlier in their careers. Educators and policymakers will need to rethink how young workers gain practical experience for the labor market. And, the responses in many cases will be sector specific.

Knowledge and Digital Services: Digital and knowledge-intensive services—including IT, data analysis, marketing, finance, consulting, and public administration—represent areas where AI is rapidly automating or augmenting tasks that had traditionally defined junior roles, including drafting, coding



While there has been some post-pandemic recovery in youth employment (ages 18-24), the MENA region continues to feature very high unemployment rates in certain countries. Disruption to entry-level work and related industries could further complicate this challenge. Data source: [World Bank Group](#).

assistance, analysis, and reporting. Fewer purely execution-based entry jobs will exist and young workers will be expected to demonstrate synthesis, contextual understanding, and judgment much earlier. Participants also noted that these employers are adopting AI tools more rapidly than institutions can adapt, contributing to a growing mismatch between evolving job requirements and how students are being prepared.

Creative and Content-Related Industries: Generative AI has lowered barriers to producing text, images, and video. This opens new entry points in some cases, but participants emphasized that it also intensifies competition and may compress earnings for those already employed in these sectors. Differentiation in the workforce marketplace increasingly depends less on technical production alone and more on meaning-making, ethical judgment, originality, and social or cultural context.

Education, Training, and Tutoring: Participants noted that education is affected in two overlapping ways: AI is reshaping how young people learn, and it is also altering some of the education-related roles in which young people work, such as tutoring, content creation, and platform-based educational support. This blurred boundary between education and employment became a prominent question. What should education be doing if AI can already generate technically correct outputs?

Platform-Based Work and Business Process Outsourcing (BPO): The discussion highlighted that AI-enabled platforms are increasingly fragmenting platform and informal work into smaller tasks that are allocated and monitored algorithmically. Young people are often over represented in these forms of work, and associated jobs may come with limited protections, weak bargaining power, and uncertain long-term mobility. Examples cited by participants included call centers in Egypt and Jordan, translation services in Morocco, entry-level data processing in Europe and the US. AI is consolidating roles and shifting skill expectations.

Skills, Learning, and the Purpose of Education

The dialogue also focused on skills, pedagogy, and educational adaptation. A central question raised during the discussion was what education should prioritize if AI can already generate technically correct answers, summaries, essays, and code.

Participants argued that this shifts attention away from answer production and toward higher-order capabilities. The discussion highlighted several areas of emphasis:

- problem framing
- ambiguity management
- critical evaluation
- ethical reasoning
- contextual judgment
- the ability to decide when not to rely on AI

One participant argued that if answers are no longer scarce, then judgment becomes scarce. Another suggested that if AI is effective at solving well-defined problems, then education should increasingly focus on ill-defined ones. Participants returned several times to the view that education systems have long rewarded answer production,

procedural recall, and structured outputs, and that AI now exposes the limits of that model.

This discussion also intersected with earlier themes presented about uniquely human capabilities. One participant introduced the EPOC framework—emphasizing empathy, presence, opinion or judgment, creativity, and related human capacities—as a way of thinking about which capabilities remain valuable in an AI-affected labor market. The relevance of this framework to education was not that it offered a simple solution, but that it suggested a different direction for skill development than narrow technical training alone.

Participants emphasized that the challenge extends beyond curriculum content to how learning is evaluated and translated into labor market outcomes. AI complicates traditional assessment by enabling students to generate or heavily assist outputs, raising concerns that existing methods no longer reliably measure understanding. While some responses—such as returning to handwritten exams—are emerging, these were seen as signs of strain rather than durable solutions. This challenge intersects with debates over institutional roles: some participants argued universities should focus on long-term capability development, with rapidly changing technical skills delivered through shorter-cycle or employer-linked training. Meanwhile, others noted the tension this creates given expectations that higher education investment leads directly to employment. Together, these discussions highlight a broader issue of aligning how skills are developed, assessed, and signaled in an AI-affected labor market.

Digital Literacy, Access, and Foundational Constraints

Throughout the dialogue meeting, participants challenged the assumption that young people are naturally prepared for digital or AI-driven labor markets simply because they are young. A participant from Jordan highlighted a local survey that illustrated only a small share of youth reported strong computer skills and that a minority were employed in jobs that required computers. Another described an education setting in which students were expected to learn spreadsheet functions by writing formulas by hand rather than actually using the software. Another described a large-scale digital literacy initiative involving millions of young people across several countries in which users were sent links to chatbot-based training tools but often could not access them because they did not know how to locate a basic browser application on their phones. This example was



An artificial intelligence and data center. Source: [Shutterstock](#).

presented not as an isolated failure, but as evidence that foundational digital literacy problems remain much deeper than many institutions assume in both advanced and digitally developing countries.

The implication drawn by participants was that discussions about AI readiness can easily become disconnected from realities on the ground. In fragile or lower-capacity settings, the challenge may not be how to prepare youth for advanced AI systems, but how to ensure access to devices, connectivity, electricity, browsers, functional digital skills, and practical familiarity with basic tools. By contrast, in higher-capacity settings, participants emphasized that the challenge is less about access and more about alignment—how to adapt education systems, hiring practices, and institutional frameworks to keep pace with rapid technological change, ensure that young workers can develop judgment and experience despite the erosion of entry-level tasks, and maintain credible systems for evaluating skills in an AI-assisted environment.

Institutional Misalignment and Coordination Problems

There was particular emphasis on the problem of coordination across institutions. Participants argued that education systems, employers, and policymakers are often

moving at very different speeds. This creates a growing mismatch that young workers ultimately bear.

Education systems remain largely organized around credentials and slow-moving curricula, while employers are rapidly integrating AI into workflows and redefining skill requirements in real time. Participants noted that curriculum reform processes can take years, even as labor market expectations shift within months, and that students often lack clear signals about which skills are in demand. At the same time, institutions are still developing approaches to governing AI use, with examples ranging from permissive, transparency-based policies to more restrictive responses. Taken together, these dynamics reflect a broader coordination challenge, in which the pace of technological change is outstripping the ability of education systems, labor market institutions, and policy frameworks to adjust in a timely and aligned manner.

Proposed Responses

Participants discussed a range of possible institutional responses, including:

- modular and short-cycle credentials
- stronger employer-linked training structures
- expanded internships and apprenticeships
- faster curriculum feedback loops
- greater transparency about AI use in education and research
- better labor market information dashboards and forecasting tools

The discussion did not treat these ideas as finalized solutions, but as part of a broader effort to reduce the lag between changing work and slow-moving institutions.

Variation Across Levels of Readiness and Exposure

Participants argued that effective policy responses cannot assume a single model of AI readiness. Instead, they distinguished among different types of contexts and emphasized that risks, opportunities, and priorities vary substantially. Across the discussion, participants also drew a consistent contrast: in higher-capacity settings, the central challenge is aligning education, hiring systems, and institutions with rapidly changing AI-enabled work; in lower-capacity settings, the more immediate challenge is building the foundational infrastructure, access, and basic digital skills necessary to participate in that transformation.

Advanced AI Adopters

Participants described countries such as the UAE and Saudi Arabia as examples of advanced or ambitious AI adopters. In these cases, the challenge is not primarily a lack of investment, but how to ensure that the gains from AI-driven sectors translate into meaningful labor market impact. Participants raised concerns about labor market polarization, reliance on imported expertise, and the need to ensure that national workforces can participate in high-value AI-enabled sectors.

Emerging AI Ecosystems

Participants described countries such as Egypt, Jordan, Morocco, and Tunisia as examples of emerging ecosystems with technical talent but limited domestic absorption capacity. The concern raised in these discussions was that countries may produce skilled graduates or develop outsourcing-oriented digital sectors without generating sufficient local employment opportunities. Participants emphasized that AI may improve efficiency in startups and digital services, but efficiency does not automatically translate into broader job creation.

Several participants discussed Egypt's attempt to position itself as a digital outsourcing and ICT hub. The discussion recognized the growth potential of that model but also noted its vulnerability if global demand for certain digital services changes as generative AI advances. Jordan was discussed as a case where technical talent exists but labor market constraints remain severe, especially for youth and particularly for women.

Fragile and Conflict-Affected Contexts

Participants emphasized that in fragile or conflict-affected contexts—such as Iraq, Libya, Yemen, or Syria—the starting point is different. In those settings, infrastructure, electricity, broadband, and institutional capacity may be more urgent priorities than advanced AI deployment. Even where AI may have selective uses, participants stressed that sequencing matters and that advanced AI ambitions without foundational systems may worsen exclusion.

Readiness Versus Exposure

One particularly useful distinction introduced in the discussion was the difference between AI readiness and AI exposure. Participants argued that some countries may not be

producing advanced AI systems but are still highly exposed to AI through hiring platforms, algorithmic screening tools, outsourced digital work, or imported services. In that view, policy should respond not only to a country's production capacity, but also to how deeply AI is already shaping labor market experience.

Evidence, Examples, and Practical Transition Models

Throughout both sessions, participants used examples to ground the discussion and test assumptions.

AI Is Not Always Cheaper Than Human Labor—Yet

One participant described a case in Tunisia where a qualitative data processing task could have been performed using an AI-based de-identification tool, but the AI option was more expensive than hiring local human coders. This example was used to caution against overly simplified assumptions that AI will immediately outcompete human labor in every context. At the same time, participants also emphasized that technology costs tend to fall over time and that current cost advantages may not persist.

Hiring and the Problem of Labor Market Signals

Current and evolving hiring practices were scrutinized. One anecdote described a recruitment process in which written applications were screened using AI detection tools, leading reviewers initially to consider excluding candidates whose materials showed evidence of AI use. The process later raised doubts about whether strong candidates might be eliminated through such screening. This example highlighted a broader concern: AI complicates labor market signals and may make it harder to assess ability, judgment, and authenticity.

Apprenticeships, Internships, and Work-Based Learning

Internships, apprenticeships, work-based learning, and similar models were repeatedly discussed as partial ways to compensate for the erosion of the first step on the ladder. Other structures could be expanded to compensate for a weakening traditional training ground.

Mentorship, Micro-Credentials, and AI Sandboxes

Participants also discussed more targeted responses, including pairing AI tools with human mentorship, creating stackable micro-credentials tied to practical tasks, and developing “AI sandboxes” where young people can learn how to frame problems, assess outputs, and build judgment in lower-risk environments. These ideas were presented not as stand-alone technical fixes, but as ways to recreate some of the developmental functions that entry-level jobs have historically provided.

Economic and Policy Questions Raised by the Dialogue

The discussions did not attempt to produce a single economic forecast, but they did surface several recurring concerns.

Participants discussed whether AI will reinforce long-term trends in declining labor share, rising inequality, or capital concentration. Some comments drew on historical comparisons, arguing that new technologies have often eventually created new forms of work and increased productivity, even if the short-run transition is disruptive. Others stressed that the current transition may be unusually fast and may place pressure on entry-level labor in ways that require more active policy and institutional adaptation.

There was broad agreement, however, on one central point: participants repeatedly emphasized that AI outcomes are not predetermined. Whether AI complements labor, substitutes for it, widens opportunity, or deepens exclusion will depend on how employers deploy it, how institutions respond, how education adapts, and whether public policy supports inclusion.

This theme appeared in both sessions and may be the clearest point of continuity across the entire dialogue. Participants did not treat AI as a neutral force with automatic effects. Instead, they consistently described outcomes as contingent on institutional design, governance decisions, investment choices, and the practical structures that connect learning to employment.

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The Hollings Center for International Dialogue is a non-profit, non-governmental organization dedicated to fostering dialogue between the United States and countries with predominantly Muslim populations around the world. In pursuit of its mission, the Hollings Center convenes dialogue conferences that generate new thinking on important international issues and deepen channels of communication across opinion leaders and experts. The Hollings Center is headquartered in Washington, D.C. and maintains a representative office in Istanbul, Türkiye.

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