

COMMENTARY

Tsunami is Coming: Are Malaysians Ready?

By Mohd Khairul Ramli

The International Monetary Fund (IMF) has recently released a report outlining the significant impact artificial intelligence (AI) will have on the global workforce. The report suggests that as much as 40% of jobs worldwide could be affected by AI within the next two years, with advanced economies facing an even greater risk of disruption at 60%.¹

This news presents a critical challenge for Malaysia, a nation striving towards economic prosperity. While AI offers undeniable benefits like increased efficiency and productivity, its potential to displace a significant portion of the workforce cannot be ignored. The question remains: how can Malaysia navigate this technological tsunami and minimize the negative impact on its citizens?

The IMF report highlights the importance of "high complementarity" jobs – roles where AI assists human workers rather than replacing them entirely. These positions often involve a high degree of responsibility, require human interaction, and leverage unique human skills like creativity and critical thinking. Surgeons, lawyers, judges, and other professionals who excel in these areas are less likely to be directly displaced by AI.

On the other hand, jobs with "low complementarity," such as telemarketing and data entry, are highly susceptible to automation. Here, AI can effectively replicate and even outperform human capabilities. These roles are likely to experience significant reductions in demand, potentially leading to widespread unemployment and economic hardship.

The good news is that Malaysia seems to be aware of the impending AI revolution. According to Hays Global Security Report 2024, a staggering 69% of Malaysian companies anticipate AI's impact on their workforce size within the next five years.² This awareness is a crucial first step, but it needs to be translated into concrete action plans.

The report also highlights a disconnect between awareness and action. While a significant number of companies acknowledge the need for AI adaptation, only 20% currently offer training specific to AI tools for their employees. This training gap needs to be addressed urgently.

To navigate the coming wave of AI, Malaysia needs a National AI Strategy that goes beyond simply accelerating digital transformation and technology adoption. This

¹ <https://www.reuters.com/technology/artificial-intelligence-hitting-labour-forces-like-tsunami-imf-chief-2024-05-13/>

² <https://api.nst.com.my/business/corporate/2024/04/1032855/ai-impact-malaysian-firms-workforce-size>

strategy should be specifically tailored to equip and empower our workforce for the challenges and opportunities of the AI era.

The limitations of past policies and programs in preparing our workforce for the AI revolution are becoming increasingly apparent. Thus, INSAP calls on the government to:

- Establish new National AI Strategy is needed to fill these gaps. This comprehensive roadmap will outline clear goals, not just for accelerating digital transformation, but also for fostering innovation, improving public services, and most importantly, equipping our workforce with the skills and knowledge needed.
- A more comprehensive and dedicated task force comprised of government officials, industry experts, and academics will ensure effective implementation. This collaborative approach fosters knowledge-sharing and ensures the strategy remains relevant to real-world needs.
- Secondly, a focus on education and skills development is crucial. A national AI Skills Development Program Initiative, can provide accessible pathways for citizens to gain the skills needed for the AI-powered future. Collaboration between educational institutions, training providers, and industry leaders is key.
- Educational institutions can integrate AI literacy into the curriculum and offer specialized courses. Training providers can design apprenticeship and certification programs. Industry stakeholders can offer real-world experience through internships and guest lectures. Financial incentives like subsidies and tax credits can encourage participation and promote a culture of lifelong learning, ensuring the workforce remains adaptable in the face of AI.

INSAP believes, Malaysia can navigate the challenges of AI and emerge as a leader in the future workforce. The key is to be proactive, invest in its people, and embrace continuous learning. The future of work may be drastically different, but with the right approach, Malaysia can ensure its citizens are prepared to thrive in the new AI-powered landscape.